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Automotive News

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Ford, GM take early price step

6% hike at Ford, 3.3% for GM fleets

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Ford Motor Co. last week gave its dealers tentative 1988 prices that show an increase of nearly 6 percent on most models carried over from 1987. Meanwhile, General Motors is close to deciding whether to make across-the-board price cuts on its 1988 models.

It is not clear how large any price cuts may be nor how they would be accomplished. GM told its dealers last week that fleet prices tentatively would increase an average of 3.3 percent.

The Ford prices are only tentative, are not sales weighted and do not account for the industrywide trend toward equipping 1988 models with more standard features than 1987 models. Chrysler Motors, for example, in August issued to dealers tentative price hikes of 7 percent but said afterwards that prices would actually rise only 1 percent when changes in equipment and prices of all models are considered.

Ford, in most cases, will be offering more standard features and other changes along with the higher price tags. To cite the most dramatic example, the base price on the Mercury Sable GS sedan will jump 14.6 percent to $14,145 — but air conditioning, tinted glass, interval wipers, digital clock and other features will become standard.

At the other extreme, the price of the popular Escort GL two-door has remained steady at $6,949. The car is unchanged for fall, with a restyled version expected to take its place as a 1988½ model next spring.

According to preliminary figures sent to dealers, manufacturers suggested retail prices on this fall's Fords will increase an average of 5.4 percent. Mercury sales tags will climb 6.5 percent.

The averages don't include the Ford Tempo and Mercury Topaz — two models that have been extensively restyled for 1988 and won't come out until mid-fall.

Although the pre-sale figures are tentative, they historically vary little from the final prices, a Ford spokesman said. The 1988 models officially go on sale Oct. 1, but some will be available before then.

The averages also don't include the Ford Festiva and Mercury Tracer — two cars introduced as 1988 models last spring.

Lincoln cars haven't been included either. The 1988 versions of

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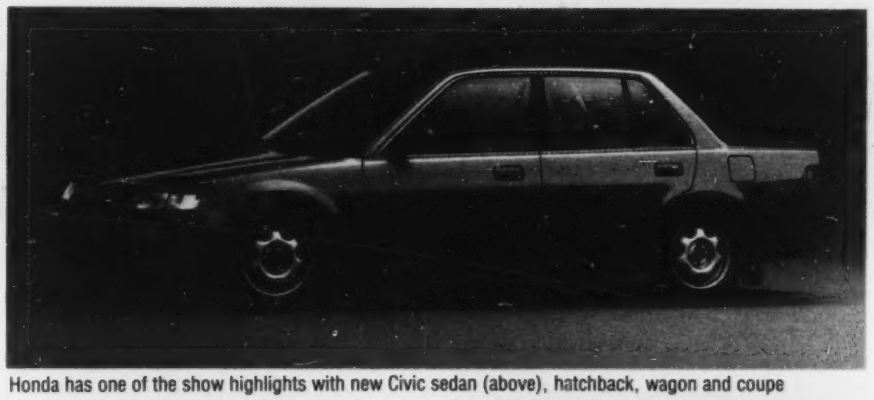

Honda has one of the show highlights with new Civic sedan (above), hatchback, wagon and coupe

FRANKFURT

Japanese grab spotlight; Honda unveils new Civic

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Two months before their own extravaganza in Tokyo, Japanese carmakers were stealing much of the thunder at last week's preview of the Frankfurt auto show.

At the last minute, Honda uncorked its latest-generation Civic — perhaps the most consequential production-car launch at the show. In addition, three all-new and widely praised concept vehicles were unveiled by Toyota, Subaru and Daihatsu.

Furthermore, Japan's Mitsubishi Motors Corp. figured in the most significant business announcement of the German show. Daimler-Benz said it is talking with Mitsubishi about joint production and distribution of commercial vehicles in Europe as well as distribution of Mercedes-Benz cars through Mitsubishi sales outlets in Japan.

Most of the big attractions last week had been widely previewed. Among them, the U.S.-bound BMW Z-1 roadster seemed to draw the biggest crowds.

The third-generation of Honda's 15-year-old Civic line is due on the Japanese market next month and will also debut in the United States this fall.

Honda presented three-door hatchback and four-sedan versions and a redesigned CRX sport coupe.

The new Civics have smoother, more aerodynamic shapes and more interior space, but the basic styling is little changed. However, Honda has developed new engines, suspensions and drivetrains for the cars — only four years after the second-generation Civic was introduced, also at Frankfurt.

The tall-body Shuttle is the only member of the Civic family continuing in its present form. A new Shuttle will arrive in early 1988, Honda said.

The new, compact four-cylinder, 16-valve engine, with aluminum cylinder block and head, is available in 1.3-, 1.4- and 1.6-liter versions.

The new CRX has a lower hood, made possible by its more-compact double-overhead-cam engine. The highest point is now 1.18 inches lower than that of the previous CRX. Honda puts the drag coefficient on the new car at 0.30.

The contingent of industry design leaders on hand at Frankfurt enthused about the Japanese concept vehicles.

"The Japanese really surprised us with three all-new show cars," said General Motors design chief Chuck Jordan.

"The Japanese cars are all examples of good design," added Mercedes styling boss Bruno Sacco.

Porsche Speedster at Frankfurt echoes 1950s model

The futuristic lineup included the TA-X80 from Daihatsu, a synthetic-bodied small-car design exercise on an aluminum frame. The TA-X80 has permanent all-wheel drive and is powered by a 1-liter turbocharged engine.

Subaru offered the all-wheel-drive, 24-valve, twin-turbocharged F-624 Estremo, with highly computerized cockpit functions, and Toyota presented its FXV-II, a running prototype that it conceives as a forerunner to high-performance specialty coupes of the future.

The permanent all-wheel-drive FXV-II, the most fully developed of the three show cars, is widely seen as the precursor to the next-generation Soarer planned for the United States. It is powered by a 3.8-liter, 32-valve, V-8 experimental engine.

Another attention-getting show car was the mid-engined, Lamborghini Jalpa-based Chrysler Portofino. The prototype was fashioned by Chrysler Motors' international design team.

"I think it's the best (design) Chrysler has ever done," said Jordan.

Ford showed its HFX Ghia, a $7 million concept vehicle out of its Ghia Studio in Italy. The car is stocked with 26 onboard computers.

BMW announced a German selling price of 80,000 marks ($45,000) for the 325i-based Z-1 from BMW Technik Gmbh, the company's advanced-concept center. Production starts next year at the rate of six per day.

Regarding Z-1 sales in the United States,

see FRANKFURT, page 4

GM to sell Opel in U.S. as 1989 car

By Richard Johnson and Andrew R. McGill
AUTOMOTIVE NEWS STAFF REPORTERS

FRANKFURT, West Germany — General Motors is "ready to go" with a plan to import upscale Opel cars to the United States beginning as early as next year.

Introduction of the Opels will likely take place at an as-yet unspecified U.S. auto show in 1988, according to John Smith, president of General Motors-Europe Passenger Cars. Smith said GM will sell three Opel lines under a separate franchise.

Speculation is that the European imports will appear first at the Chicago Auto Show next February, perhaps to be announced by GM Chairman Roger Smith at his appearance before the National Automobile Dealers Association convention in San Francisco a few days earlier.

The Opel line is expected to go on sale in the United States for the 1989 model year.

Though GM has long cited the weak dollar vs. the German mark as the main obstacle to Opel imports, GM President Robert Stempel last week said the exchange rate is less an impediment than finding a suitable distribution system.

Stempel said GM will not sell Opels through an existing division and that the company's new Saturn dealer network "is certainly No. 1 on the list" of potential distribution outlets.

see OPEL, page 6

Hyundai leads dealer sales

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Eight Asian and two U.S. car and truck manufacturers captured the top 10 places in Automotive News' semiannual analysis of average car and truck sales per dealership.

Three of the top 10 in overall average sales per store sell only cars. The three were: Hyundai, Honda and Acura. The remaining seven sell both cars and trucks.

At the halfway mark, Hyundai ranked No. 1 in average car sales per dealership. Hyundai's 186 dealers sold an average of 730 cars per outlet by July 1. This was a 68.59-percent increase over the first six months a year ago when Hyundai was new on the American scene and already averaging sales of 433 cars for each of its 75 outlets.

The six-month average total put Hyundai 294 units ahead of its nearest competitor, Mitsubishi. Mitsubishi's combined average car and truck sales edged up 4.3 percent to 436. At midyear, Mitsubishi sold an average of 273 cars and 163 trucks per outlet, putting it in second place. It ranked third one year earlier, with average combined car-truck sales of 418.

Toyota dropped from second to third place in the first half. Combined average car and truck sales of 382 per outlet were almost 10 percent lower than the first half of 1986, when the average was 423 per outlet. Toyota sold an average of 240 new cars and 142 trucks per outlet.

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Ford spare change buys Aston Martin — Page 2
Chevy to be No. 1 — or else! — Page 3
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World-class is Cadillac's goal for '90s

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

MONTEBELLO, Quebec — Cadillac is eyeing a smorgasbord of new-technology componentry for its 1990-era cars in its quest to become a world-class competitor in the international luxury-car market.

Warren Hirschfield, Cadillac's program coordinator of future vehicle technology, said consumers may see all-wheel drive, four-wheel steering, traction control and a new family of larger, high-output engines as optional or standard equipment on Cadillac models by the early 1990s.

Which technologies will be implemented or scrapped will depend on the needs of Cadillac buyers, competitive pressures and capital from General Motors.

"We can't do everything at once; for instance, we can't do traction control and all-wheel drive" at the same time, he said.

"We have to decide which technology we are going after."

Companies such as Daimler-Benz, Honda, BMW, Jaguar, Mazda, Audi and Ford have already implemented several of the new technologies into their products. An all-wheel-drive Pontiac 6000 STE is being offered by GM in the 1988 model year and active suspension is planned for future Chevrolet Corvettes.

Cadillac sources told Automotive News in July that GM was developing an all-new 12-cylinder engine to be used exclusively by the division. GM or its Lotus subsidiary could build the engine.

Thomas Standen, Cadillac director of planning, said GM is already testing some of the technologies on prototype vehicles. Success at the proving grounds could move such technology into future GM cars.

Hirschfield said Cadillac will be considered along with other GM divisions for the all-new technology.

"Cadillac is to initially market things that apply to luxury and security," Hirschfield said.

"Oldsmobile might be first with things that are performance-oriented," he said.

Hirschfield said luxury or security apply to items such as active suspension and antilock brakes. He described all-wheel drive and four-wheel steering as driver convenience features.

see CADILLAC, page 51

AUTOMOTIVE NEWS/JOE WILSSENS

UAW Vice President Stephen Yokich, left, and Bieber

Chrysler plant vital

Canadian strike could shut U.S.

By Alex Law
SPECIAL CORRESPONDENT

TORONTO — A strike by the Canadian Auto Workers, which would stop production at Chrysler Canada's Ajax, Ontario, trim plant, could begin to shut down Chrysler's U.S. operations by late next week.

A strike at Chrysler's four manufacturing plants in Canada seemed likely for midnight tonight since at the end of last week, the company and the CAW were still far apart on the main issue of indexed pensions.

Dennis DesRosiers, of DR Automotive Research Inc., Toronto, said, "It would take 6 to 10 days to affect Chrysler operations in the United States."

After Chrysler presented the union with a contract proposal here last Wednesday, CAW President Bob White told reporters it was a "blueprint for a strike." He reiterated the union's position that there would be a strike if Chrysler did not agree to indexed pensions.

A few minutes later, Bill Fisher, Chrysler's chief negotiator, called the proposal a "good foundation for a settlement." He said that Chrysler was still strongly opposed to putting indexed pensions in an agreement.

Of Chrysler's four Canadian plants, only the trim plant, 10 miles from Toronto, could shut down the firm's entire North American production. The Ajax plant employs some 2,000 workers and makes door panels, seat covers and other soft trim.

White: Chrysler's contract proposal is a "blueprint for a strike."

According to a Chrysler Canada spokesman, the Ajax plant makes hundreds of parts, some exclusively, so the loss of production would shut down U.S. assembly plants "within a matter of weeks."

Union officials believe Chrysler could operate some U.S. plants for 10 days while others might run longer. It depends, union officials said, on how much stockpiling the company has done.

A strike in Canada would halt production of Chrysler's minivans and full-sizes vans. The Windsor, Ontario, assembly plant is the sole source for the short-wheelbase minivans and the Pillette Avenue truck plant in Windsor is the company's only facility for full-sized vans.

Chrysler's castings plant in Etobicoke, a suburb of Toronto, produces pistons, brake cylinders, torque converters, transmission cases and air conditioner compressors, none of which are exclusive to that plant.

Ford talks heat up as deadline nears

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — With tonight's midnight deadline looming, Ford Motor Co. and UAW negotiators scheduled bargaining sessions through the weekend.

Until last Thursday, both sides were playing down the possibility of a strike. But early Friday afternoon, UAW President Owen Bieber said, "We're still grappling with the hard issues. We are not moving on these issues. Unless something begins to happen and happen quickly, then I am not optimistic that we can reach that deadline."

It was a sign of how quickly things can change in a bargaining situation.

The problem, Bieber said, was that the job security issue — the union's top priority — had not been resolved.

The mood last week was such that neither dealers nor industry watchers expected that a strike at Ford — if indeed it comes — will be more than brief.

Stanley J. Surma, Ford's top bargainer and executive director of labor relations and employee development — Employee Relations Staff, said that job security and economics were being discussed last week, though Ford had made no second proposal.

He said early in the week that the company was still against the union's demand for a return of the annual improvement factor raise.

A Ford spokesman said negotiators planned to "work intensely through the weekend" and would schedule a full day today.

A UAW spokesman said that, historically, the union's practice has been to authorize strikes shortly after midnight following the expiration of a national contract, rather than extend the contract.

A notable recent exception was the year-long extension of the national contract at Ford's Rouge Steel subsidiary. That agreement was reached in July.

Last Tuesday UAW President Owen Bieber asked Ford to guarantee the jobs of the current workforce of about 107,000 hourly employees for the length of the agreement. That guarantee would mean no workers would be permanently laid off for any reason whatsoever.

The number of jobs could remain

see TALKS, page 83

Chevrolet to dealers: Beat Ford or stay home

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — A dealer can win Chevrolet's latest sales contest and not win a thing.

Panic-stricken Chevrolet has kicked off an unusual nationwide dealer contest in its attempt to beat Ford Division in sales for calendar 1987.

The contest, called "All for One," gives trips to Europe and Caribbean cruises to dealers who meet sales targets set by the division. If a dealer exceeds the sales target, he receives $3,000 in cash to spend on the trip.

But here's the catch: If Chevrolet does not beat Ford in combined car and truck sales for the calendar year, no one collects a prize even if he meets his individual sales target.

Unlike past programs, the dealer does not have to pay anything to participate in the contest.

Robert Burger, Chevrolet general manager, and Robert Starr, Chevrolet sales and service manager, outlined the program to dealers on a closed-circuit television program aired to zones throughout the United States last Thursday.

Burger and Starr admitted Chevrolet would be beat by Ford for the model year but that they were determined the division would maintain its traditional No. 1 spot for the calendar year.

The "All for One" contest runs from last Thursday through Dec. 31. Meanwhile, local contests in zones also have been launched.

GM plastic minivan a bit larger than A-car

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

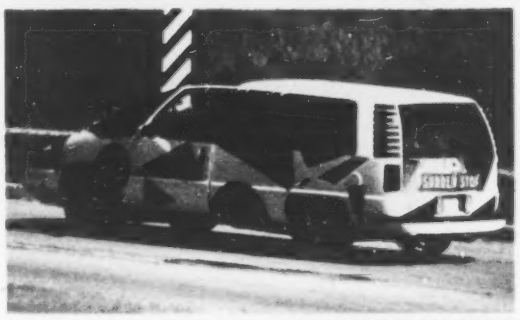
DETROIT — General Motors' new plastic-bodied front-drive van, tentatively called the Trans Sport, will be slightly larger and heavier than GM's A-body cars when it debuts in the spring of 1989.

Its 110-inch wheelbase will be one inch less than the current Chevrolet Astro/GMC Safari and five inches more than the A-cars, Automotive News has learned.

The interior will be 58 to 60 inches wide. The minivan also will have a 17-inch clearance between the door and the curb, sources said.

GM is aiming the minivan at the Plymouth Voyager/Dodge Caravan and Ford Aerostar.

The new van is expected to go into production at GM's Tarrytown, N.Y., plant in February 1989, in time for spring introduction as a 1990 model. Pilot production is scheduled to begin in June 1988, sources said. The Pontiac Trans Sport will be available in two models, a base version and a highline Trans Sport SE. Chevrolet is planning its own version of the vehicle.



POPULAR MECHANICS JIM QUINN

Expected to go into production in February 1989

Built on the A-body (Celebrity) platform, the seven-passenger (a third bench seat is optional) minivan will feature a 3.1-liter V-6 when it is introduced.

It will subsequently get a more powerful 4.3-liter V-6 in 1992, Automotive News learned.

The new van will have a payload-carrying capacity of 1,700 pounds and a maximum trailer-towing capability of 2,000 pounds.

The base vehicle will feature a five-speed manual transmission, power front disc brakes, power rack and pinion steering, remote control mirrors, sliding side door on the passenger side, rear hatchback, a black roof treatment and two-tone paint.

The black roof treatment, a GM spokeswoman explained, is a black acrylic that gives the illusion of transparency. GM currently uses it on the Pontiac 6000 SE wagon and Fiero GT.

Sources said inside features will include reclining front bucket seats with armrests, a second-row three-passenger bench seat, an electronic liquid crystal display cluster, electronic fuel gauge and digital speedometer, a leather-wrapped steering wheel and overhead console storage.

Five exterior colors are expected to be offered, sources said.

The base model will have 14-inch wheels, and the SE model will have 15-inch wheels.

GM is predicting production of 220,000 units the first year, shared between Pontiac and Chevrolet.

Pininfarina created the design for the new all-purpose van.

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Passenger units take 77% of Chevy Astro sales

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

WARREN, Mich. — Aided by van converters, Chevrolet is selling 77 percent of its Astros as passenger models, making it a far stronger personal-use vehicle than originally anticipated.

Chevrolet officials plan to fuel Astro's popularity among converters next year by offering them a heavily discounted special optional-equipment package.

Astro is already very successful in the conversion market. About 39 percent of Astro cargo vans are being shipped without seats to converters, according to Robert Rieth, former Chevrolet special vehicles manager.

Rieth retired Aug. 31 after 33 years with Chevrolet. His successor is not expected to be named for another month or so.

Rieth said Chevrolet is currently selling 63 percent of its Astros as passenger vans. Of the 37 percent sold as cargo models, 39 percent are going to the conversion market, adding another 14 percent to Astro's passenger-configuration mix.

Originally, GM officials had expected as many as half its M-vans to be sold for commercial purposes like hauling plumbing fixtures.

But the number sold for personal use has been growing steadily.

"Our initial marketing studies indicated that (M-van) was going to be a strong commercial vehicle," Rieth said. "But the price of fuel went down, so that the big G van (full-sized Chevrolet van) became more attractive again to commercial users. They chose to stay with the bigger van for the volume."

As noted, Chevrolet plans to increase Astro's appeal to converters in the mid-1988 model year by offering them a specially discounted optional equipment package, which includes all the Astro options ordered 98 percent of the time by converters.

Items will include power steering, power brakes, power door locks and tilt wheel. Free air conditioning, worth $664 at dealer cost, is part of the package.

Chevrolet offered a specially priced equipment package last year for converters on its full-sized G-vans, but excluded seat-delete Astro models. The package included a free V-8 engine worth $421 wholesale.

Rieth said the Astro package is designed primarily to make it easier to order Astros. But it also includes special suspension parts that turn what is essentially an 05 work chassis into an 06 passenger van.

Chevrolet officials want to make certain the ride quality of upfitted models matches that of regular passenger-model Astros.

Astro accounts for about 35 percent of Chevrolet's total shipments to the conversion market, based on figures for vehicles going through its bailment pool system.

Chevrolet's total van shipments to converters are up 25 percent this year to about 70,000, Rieth said. That includes 50,000 G-vans and 18,000-20,000 Astros. The 25-percent increase is almost entirely in G-van shipments.

Chevrolet accounts for about 40 percent of the industry's van conversion shipments, Rieth added.

General Motors is running at full overtime on M-van production, he said. There are no possibilities — or plans — for expanding production further.

The new plastic passenger van that Chevrolet and Pontiac will introduce in the 1989-1990 time frame is expected to dig into the M-van's market, and GM is saving capacity increases for that model.

Last summer, Chevrolet, along with some of its competitors, had a high days' supply of vans going into the new model year. Dealers backed off from ordering 1987 models. Then domestic manufacturers offered a low-interest financing program that cleaned converters out and, for several months, there was a shortage of products because of a lack of early orders.

Currently, Chevrolet's van inventories, which had been rising gradually through May, June and July, are down to the same level as on April 1, Rieth said.

He attributed it to a "good retail market because there sure was availability out there."

2 RV makers introduce new van lines

BREMEN, Ind. — Enterprise Motor Corp. here and Carriage Inc., Millersburg, Ind., have introduced new products for the van conversion market.

Enterprise Motor introduced a new front-wheel-drive standup van. The low-profile, all-fiberglass van has 6 feet, 4 inches of headroom, more than 200 cubic feet of cargo space and a 1,500-pound capacity, exceeding that of conventional minivans.

It is built on Dodge's Mini Ram Van chassis, featuring a 2.5-liter Chrysler engine and Chrysler mechanical components. The 13-foot vehicle is geared to fleets, delivery service and mobile food unit use.

A 17-foot model is scheduled to be introduced later this year.

Carriage Conversions introduced a Surrey Coach in its 1988 lineup of van conversions.

It also has new color decors on its full-sized Royale model, new electronic features on its top-of-the-line Cameo, a sportier look for its Cachet minivan and an upgraded chassis for the Carriage Suburban.

The Surrey Coach has a lower price, designed to broaden its market appeal, while featuring the same quality construction and many of the other amenities of Carriage conversions, according to officials.

It features automotive fabrics, vinyl upholstery, Flexsteel seating, privacy drapes and large bay windows. The exterior includes running boards, fiberglass spare tire cover, logo treatment and paint schemes match to a choice of interior colors.

The Carriage Royale has six new color decors. A redesigned dual sunroof and optional electronic compass have been added to the interior. It also has new "Eurolace" wheels, all-weather driving lights and auxiliary brake lights.

The Carriage Cameo has a new full Sony sound and video system, including an eight-inch television monitor, 8 millimeter video cassette recorder, AM/FM tuner and disc compartment that automatically chooses from a selection of 10 discs.

Recreational Vehicle Wholesale Deliveries

	June 1987	June 1986	% change	6 months 1987	6 months 1986	% change
Travel trailers	7,600	7,200	+ 5.6	51,200	47,800	+ 7.1
Folding camping trailers	3,500	2,600	+34.6	21,800	19,200	+13.5
Truck campers	1,000	800	+25.0	5,700	4,000	+42.5
Towable RV total	12,100	10,600	+14.1	78,700	71,000	+10.8
Conventional (type A)	3,000	2,500	+20.0	19,900	16,800	+18.5
Van Campers (type B)	500	600	−16.7	3,300	3,300	+ 0.0
Chopped vans (all)	2,200	2,700	−18.5	14,800	14,900	− 0.7
Motor home total	5,700	5,800	− 1.7	38,000	35,000	+ 8.6
Van conversions	16,600	17,500	− 5.1	98,100	101,800	− 3.6
TOTAL ALL RVs	34,400	33,900	+ 1.5	214,800	207,800	+ 3.4

Source: Recreation Vehicle Industry Association.

Recreational Vehicle Wholesale Deliveries

	July 1987	July 1986	% change	7 months 1987	7 months 1986	% change
Travel trailers	7,800	7,300	+ 6.8	59,000	55,100	+ 7.1
Folding camping trailers	3,200	2,800	+14.3	25,000	22,000	+13.5
Truck campers	700	700	+ 0.0	6,400	4,700	+36.2
Towable RV total	11,700	10,800	+ 8.3	90,400	81,800	+10.5
Conventional (type A)	3,300	2,700	+22.2	23,200	19,500	+19.0
Van Campers (type B)	500	500	+ 0.0	3,800	3,800	+ 0.0
Chopped vans (all)	2,100	2,300	− 8.7	16,900	17,200	− 1.7
Motor home total	5,900	5,500	+ 7.3	43,900	40,500	+ 8.4
Van conversions	14,800	16,000	− 7.5	112,900	117,800	− 4.2
TOTAL ALL RVs	32,400	32,300	+ 0.3	247,200	240,100	+ 3.0

Source: Recreation Vehicle Industry Association.

Biggest show for RVIA

418,000 square feet of space assigned

RESTON, Va. — The Recreation Vehicle Industry Assn. is gearing up for its largest annual RV trade show.

The event will be staged Nov. 3-15 at Dodger Stadium in Los Angeles.

Bob Lee, chairman of RVIA's 1987 Los Angeles Show Committee and president of Country Coach, Junction City, Ore., said 400,245 square feet of manufacturer exhibit space and 18,000 of supplier exhibit space have been assigned for the show. That tops the previous record of 387,000 square feet at the 1985 show.

To date, 77 RV manufacturers' exhibits and 224 supplier booths have been assigned.

Approximately 10,000 square feet of manufacturer exhibit space and 4,000 square feet of supplier exhibit space are still available.

The show is expected to draw 9,000 RV dealers and executives during industry-only days Nov. 3-4 and 50,000 consumers when it opens to the public, Nov. 6-15.

The event will feature seminars ranging from management strategy to new first-time buyer research.

A survey of West Coast RV dealers found most were interested in attending seminars during the industry portion of the show.

An educational program will be held Nov. 2 at the Hyatt Regency prior to the show's opening. It will lead off with an all-new seminar on expanding the RV market provided by public relations agency Burson-Marsteller. The program includes videotaped interviews with non-RV owners and dealers.

Subsequently, Fred Pryor, an authority on business management, will discuss techniques for opening lines of communication and, increasing productivity, employee morale and managerial skills.

Then, Art Niemann, president of Art Niemann and Co., specializing in personnel management for auto dealers, will explain how to select and hire the right person.

There also will be an insurance seminar sponsored by the Recreation Vehicle Dealers Assn. and conducted by George J. Higgins, president of the American Business Insurance Agency, Kansas City, Mo.

Conquest emphasizes retail sales features

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

GOSHEN, Ind. — Conquest Division of Gulf Stream Coach has been making its mark in the van conversion market. Officials attribute its growth to an emphasis on retail sales.

Conquest has doubled sales to 200 units a month this year and projects 3,500 to 5,000 sales in calendar 1988, depending on chassis availability.

It has about 250 dealers, has been signing five to 10 new ones weekly and expects to continue adding dealers for two years.

The company devised a strategy to help it compensate for the stiff competition in the conversion market and the high turnover among auto dealership salespeople, said Kevin Slater, Conquest Division manager.

The rapid turnover at dealerships often leaves few salespeople who are knowledgeable about a converter's products, Slater said.

Salespeople generally shy away from conversions anyway, he said, because of lack of knowledge and the patience often required to close a conversion sale.

Conquest, in its sales strategy, has been offering base units and option packages priced attractively enough to generate wholesale orders, but including features to help them sell themselves at retail as well.

It typically blends the most popular conversion items with some unique ones.

"We include a few of those features we think unique in each of our packages and price them competitively," Slater said. "The competitive price sells the dealer. The features sell the customer."

The distinctive items are designed to be immediately apparent to salespeople and customers.

"Even the salesperson who is not terribly knowledgeable about our product can immediately start pointing them out and pitching the vehicle," Slater added.

Typically, there might be a lot of "solid oak features" that will "give the salesman something to talk about because they are immediately apparent. It keeps him flowing through his presentation, keeps that customer there and gets him into the conversion," Slater added.

He said many converters don't pay enough attention to retail, concerning themselves more with selling the dealer than the retail customer.

"They will get on the lots, and naturally they're going to sell. But what has happened for us is that we tend to sell a little faster than some of the other converters," he said.

Proof of that, he said, comes from Ford, which tracks retail turn rates of its pool companies' products.

"We have consistently been ahead of the group average in our daily turn rate, and we also have consistently fewer 90-day units than the group average," Slater said.

Conquest has pool accounts with Ford, Chevrolet and GMC and also converts Dodge chassis that it buys from dealers.

During the past few months, it has begun doing well with a new Aerostar "high top mini" package that includes television.

"What we tried to do on the minivan is offer a package that costs the dealer about the same as a loaded factory unit, but offers something the factory can't," Slater said.

Its dealer cost on a full-sized converted van generally runs from $14,200 to $19,000, covering five different models.

Depending on the package, dealer cost on a minivan might range from $13,900 to $15,900, for chassis and conversion.

Conquest orders well-equipped chassis.

"We have found that if we put a low-priced conversion on a well-spec'd (equipped) chassis, it will sell quickly," Slater said. "The dealer can still advertise a competitive price, but our unit will have the things that the luxury van buyer really wants."

Conquest is developing a high-priced package, designed specifically for sportsmen and hunters.

GM produces milestone M van
General Motors employees and officials at the Baltimore plant celebrated building their 500,000th M van, a Chevrolet Astro, in August. The GM Truck & Bus Group began producing the Astro/Safari M vans in Baltimore in 1984 after a $270 million investment to upgrade the facility.

Light trucks set August record

Month's sales total 413,838; year-to-date mark also best ever

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Light-duty U.S. truck sales set another record in August with most domestics and imports sharing in the bonanza.

Dodge's August sales were an all-time record, according to Jerome B. York, Chrysler vice president, Truck Operations; while GMC sales were an eight-year high for the month, according to Duncan A. Brodie, GMC general sales manager.

Light-truck manufacturers retailed 413,838 vehicles last month, up 11.50 percent from 371,150 a year ago.

For the first seven months of 1987, industry sales were a record 3,179,984, up 4.73 percent from 3,036,152 for the same period in 1986.

Most manufacturers, with the exception of Ford, Nissan and Subaru, scored solid increases in August.

Subaru is practically out of the truck business, retailing only 66 units for the month.

Ford was fairly close to its year-earlier level, retailing 114,622 light trucks compared to 115,515 in August 1986.

Interestingly, for the second month in a row, the pendulum has swung back for Ford's full-sized pickups vs. Chevrolet's. Earlier in the model year, Ford's F-series pickups were scoring sales increases while Chevrolet's R/V and C/K series models were off.

In August, though, the F series, with 44,884 sales, was off 8.2 percent while Chevrolet's C/K and R/V models totaled 38,165 sales, up 9.2 percent.

GMC sales of C/K and R/V models totaled 10,866 units, up from 8,598 a year earlier.

GM last month bucked a trend in which Dodge and Jeep full-sized pickup sales were off.

Dodge's 6,782 Ram pickup sales were off 34.6 percent from the same period last year. Sales of Jeep's J10/J20 pickups totaled a scant 44 units, down from 200 a year earlier. Company insiders have already said those Jeep models are due to be phased out in the near future.

Chrysler's overall sales of 58,400 in August were up 39.2 percent while Chevrolet's overall sales of 110,428 were up 11.7 percent.

Chrysler's sales total does not include Jeep products.

GMC's sales of 28,535 light trucks were up 24.2 percent while Jeep sales of 15,681 were up 4.7 percent.

Generally, the importers, led by Mazda, Mitsubishi and Suzuki, had a good August, with retail sales of 86,172, up 12.08 percent from 76,880 a year earlier.

Suzuki has resumed officially reporting sales after a two-month lapse during which time its sales had to be estimated.

Suzuki retailed 7,905 Samurais in August, more than double the 3,596 it sold a year earlier.
The importers' performance generally bucked an earlier trend in which their sales had been running below year ago.

For seven months of this year, importers retailed 610,802 units, off from 622,291 last year.

LIGHT-DUTY TRUCK SALES

	Aug. 1987	Aug. 1986	8 Mos. 1987	8 Mos. 1986
Vans	14,673	14,472	123,801	118,854
Aerostar	14,624	12,821	112,247	98,926
Club Wagon	1,572	1,932	18,250	18,140
Ranger	23,304	23,793	221,705	191,079
Bronco	3,493	4,011	32,309	32,160
Bronco II	12,072	9,572	81,614	63,814
Pickups	44,884	48,914	358,432	355,933
Ford	**114,622**	**115,515**	**948,358**	**878,926**
Vans	10,437	10,317	74,884	90,865
Sportsvan	974	985	8,290	11,609
Astro	12,437	11,114	102,919	100,774
S-10	21,687	16,525	159,552	141,355
S-10 Blazer	17,245	14,765	104,022	108,352
El Camino	1,826	1,503	10,075	14,713
Blazer	2,476	3,598	19,624	27,877
Suburban	5,181	5,079	38,000	39,886
Pickups	38,165	34,964	280,738	295,726
Chevrolet	**116,428**	**98,850**	**798,104**	**831,157**
Vans	5,976	6,024	48,132	51,205
Ram Wagon	2,119	2,756	21,352	26,616
Voyager	10,917	6,436	91,410	74,183
Caravan	11,473	6,765	96,881	77,380
Mini Ram Van	976	937	9,211	10,293
Ram 50	6,290	5,289	47,475	48,036
Raider	2,311	88	13,230	88
Ramcharger	2,025	2,198	16,214	15,755
Dakota	9,531	1,089	71,526	1,745
Pickups	6,782	10,369	64,994	67,012
Chrysler	**58,400**	**41,951**	**480,425**	**374,313**
Vans	2,957	2,715	25,980	25,632
Safari	2,623	2,165	22,001	21,300
S-15	5,414	3,506	34,498	33,090
S-15 Jimmy	3,764	3,430	24,686	26,222
Jimmy	652	631	5,379	5,676
Caballero	227	172	1,275	1,826
Suburban	1,493	1,408	12,762	12,531
Pickups	10,866	8,598	77,365	75,329
P Model	393	250	3,641	3,016
W-4	146	100	990	798
GMC	**28,535**	**22,975**	**208,577**	**205,420**
Wrangler/CJ	2,114	2,967	19,798	23,044
Wagoneer	997	714	8,284	6,525
Cherokee	8,249	7,786	69,610	64,109
Grand Wagoneer	1,289	829	8,751	9,367
Comanche	2,988	2,483	26,234	19,865
J-10/J-20	44	200	1,041	1,133
Jeep	**15,681**	**14,979**	**133,718**	**124,045**
Toyota	27,115	26,289	212,748	200,174
Nissan	18,042	22,880	148,397	153,205
Mazda	20,484	13,159	92,440	100,009
Isuzu	8,233	7,811	61,595	56,727
Mitsubishi	4,055	2,694	34,021	21,195
Suzuki	7,905	3,596	59,182	28,537
Subaru	66	471	1,116	2,448
Range Rover	272	0	1,301	0
Imports	86,172	76,880	610,802	622,291
Industry Total	413,838	371,150	3,179,984	3,036,152

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Queens dealer tries off-price marketing

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Car shopping supermarket-style without haggling over price characterized the recent opening of the NY Auto Outlet. The concept was started by a Queens, N.Y., auto dealer.

Taking a 250,000-square-foot warehouse that was used basically for pre-delivery preparation and inventory storage, Paul Singer, president of Paragon Oldsmobile and Honda as well as five other stores, created an auto outlet that will be open once a month.

Michelle Singer, his daughter and general manager of Paragon Hyundai, manages the sale days at the outlet.

She said a factor that prompted the use of the warehouse for sales was limited space at the dealerships. In some of their locations, not all the inventory could be displayed. This is especially true of the Hyundai store, she said.

By using the warehouse, customers could see most of the inventory and make their decisions.

The first experiment was a direct mail campaign to approximately 100,000 persons in the immediate Queens marketing area.

That private sale went well, she said. The next step was to go to the public. An advertising campaign was launched in the local media for the NY Auto Outlet — the name the company uses to promote the warehouse.

It was a one-day Sunday sale, she said, and about 1,000 people went through the warehouse. On display were 1,000 cars made by Oldsmobile, Honda, Hyundai, Subaru, Sterling and Acura.

Michelle Singer said every car was clearly marked with the price. One goal was to eliminate price haggling and make the atmosphere in the warehouse relaxed.

The warehouse sale was staffed with 55 sales persons, 12 finance managers, 8 greeters and 15 managers from the various dealerships.

Asked their preferences and needs, the customers were then referred to an "auto agent," or sales person, who would show them the cars in the color and style they were seeking.

She said there was no negotiation on the price. Every car was marked "was" and "is," indicating the price markdown. She said they found there was a quicker decision by the customer without haggling over price.

While the sold numbers on the second sale were not completed by the middle of last week, the first sale generated 150 deals.

The intention, she said, is to have one sale per month at the warehouse, under the banner of NY Auto Outlet. She is thinking of new ways to promote the outlet, including special events tied to the sale. But the key is to have the customers become aware that it will be monthly and to expect it.

The outlet does not use the names of the dealerships in its advertising. The concept is to promote the outlet.

DEALERS

FROM PAGE 1

Following Hyundai, Mitsubishi and Toyota were Nissan in fourth place with 353 sales per dealer and Suzuki in the fifth spot with 338.

Honda's car sales declined to 317 from 332 in the first half last year, moving it from fifth to sixth place.

Ford Division led the domestics with an average of 309 cars and trucks sold per outlet. Although it only ranked seventh, Ford's dealerships sold an average of 24 more units per store in the first six months compared with a year ago.

In the first half of 1986, almost one-third of Honda's average sales per store were domestically produced cars. This year, almost 54 percent of Honda cars sold per dealer were made in the United States.

Eighth position in the ranking went to Acura, Honda's upscale brand, which averaged 304 sales per store. Acura sold almost 2½ times as many cars per store in the first six months than it did a year ago when its average was 125.

Chevrolet dropped to ninth place from seventh, with average car and truck dealership sales of 262 units versus 290 a year ago.

Mazda lost average car-truck sales per dealership and fell from ninth place with combined sales of 232. But it hung onto 10th place in the first half of this year, with 194 average sales per outlet.

In last year's first half, Oldsmobile ranked 10th with average sales of 175 per store. This year Oldsmobile dropped to 13th, with 120 car sales per dealership.

In the first half, seven of the top 10 manufacturers with the highest average sales per dealership were Japanese. One was Korean and two were domestic makes. A year ago, six were Japanese, one was Korean, and three were domestic. Two years ago, five of the top 10 were U.S. lines and five were Japanese.

New-car deliveries per dealership for the first half of 1987 averaged 192 for General Motors, a drop from 242 in last year's first half. Ford Motor Co. dealerships sold an average of 188 new cars, up five from 183 in the first half of 1986.

Chrysler Motors' dealerships sold 120 cars in the first half or 22 less than in the first half a year ago. American Motors-Renault turned over about half as many cars in this year's first half. Average sales per store dropped from 25 to 12. Volkswagen's domestic new-car deliveries slipped to 39 from 45 in the first six months of 1986. VW dealers also sold an average of 72 imported cars this year vs. 87 a year ago.

Looking at domestic sales of U.S.-built cars per dealer by market class (see accompanying table), Nissan Sentra took honors as the most popular subcompact with an average of 58 sales per dealer — almost double last year's first-half number. In addition, Nissan dealers sold an average of 54 imported Sentras this year, compared to 66 last year.

Honda Civic was close behind in the subcompact field with 55 and Volkswagen Golf, last year's leader, dropped to 30. Honda dealers also sold an average of 65 imported Civics vs. 130 last year.

Another favorite, Ford Escort, slipped from 43 to 42 for the first six months.

In the compact class, Honda Accord was favored for the second time, selling an average of 116 cars per outlet compared with 104 a year earlier. Honda dealers also sold an average of 49 imported Accords this year, compared with 57 last year.

Chevrolet Cavalier was next in popularity with 34, and Ford Tempo held onto third place with 27.

Cutlass Ciera stole the show in the intermediate class with 41 (53 in 1986), although Taurus rose from 22 sales per outlet to 38 in the first half. This year's new entry Corsica/Beretta managed 16 sales per store, putting it in ninth place among the intermediates.

Among standard-size cars, which all lost ground in the first six months, Olds 88 still led the way with an average of 28 sales per franchise. Following were Buick LeSabre, Mercury Grand Marquis and Chevrolet Caprice.

Cadillac held onto first position in the luxury class. It averaged 60 car sales per franchise, off 13 from last year's first-half number. The new Cadillac Allante managed averaged one car sold per outlet.

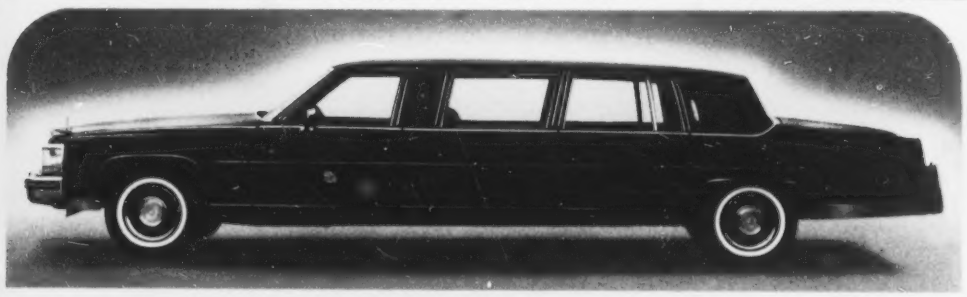
Sales per dealership are based on the average number of outlets from Jan. 1 to July 1.

CAR-TRUCK SALES PER OUTLET

First Half	1987	1986
1. Hyundai	730	433
2. Mitsubishi	436	418
3. Toyota	382	423
4. Nissan	353	339
5. Suzuki	338	316
6. Honda	317	332
7. Ford	309	285
8. Acura	304	125
9. Chevrolet	262	290
10. Mazda	194	232
11. Dodge	158	149
12. Volvo	150	155
13. Oldsmobile	120	175
14. Isuzu	114	141
15. Volkswagen	111	133
16. Mercedes	108	105
17. BMW	102	63
18. Subaru	99	117
19. Yugo	95	63
20. Buick	91	131
21. AMC-Jeep	88	92
22. Mercury	83	90
23. Cadillac	79	91
24. Plymouth	75	79
25. Jaguar	64	69
26. GMC	63	64
27. Saab	61	69
27. Audi	61	79
29. Lincoln	50	49
30. Chrysler	43	58
31. Porsche	40	45
31. Sterling	40	–
33. Alfa Romeo	23	26
34. Range Rover	20	–
35. Peugeot	16	24
36. Chevrolet Imports	12	16
37. Dodge Imports	10	11
38. Plymouth Imports	8	10
39. Merkur	7	9
40. Maserati	5	15
41. Renault	4	2
42. Ford Imports	2	–
42. Chrysler Conquest	2	–
44. Pontiac Imports	1	–

SALES PER OUTLET, U.S. CARS

First Half	1987	1986
Subcompact		
1. Sentra	58	23
2. Civic	55	–
3. Escort	42	43
4. Golf	30	45
5. Corolla FX	17	–
6. Nova	15	15
7. Lynx	12	12
8. Horizon	11	18
8. Alliance	11	24
10. Omni	9	16
10. Fiero	9	12
12. Daytona	6	7
13. Charger	5	8
14. Turismo	4	7
15. Chevette	3	8
16. Pontiac 1000	1	3
16. Laser	1	5
Compact		
1. Accord	116	104
2. Cavalier	34	41
3. Tempo	27	27
4. Mustang	21	20
5. Reliant	18	24
6. Aries	17	18
7. Sunbird	15	20
8. Firebird	14	18
8. Camaro	14	19
10. Sundance	13	–
10. Topaz	13	12
10. Shadow	13	–
13. LeBaron K	10	17
14. Jetta	9	–
15. Skyhawk	6	12
16. Cimarron	4	7
17. Firenza	3	6
18. Eagle	2	3
Capri	–	2
Intermediate		
1. Cutlass Ciera	41	53
2. Taurus	38	22
2. Grand Am	38	37
4. Celebrity	36	43
5. Century	25	41
6. Pontiac 6000	22	31
7. Cougar	19	22
8. Cutlass Supreme	18	37
9. Sable	17	17
9. Calais	17	20
11. Corsica/Beretta	16	–
12. Thunderbird	13	16
13. Somerset	12	22
14. New Yorker	10	9
15. LeBaron J	9	–
15. Regal	9	14
17. Monte Carlo	6	11
17. Caravelle	6	7
17. Dodge 600	6	12
17. LeBaron GTS	6	11
21. Lancer	5	8
22. Grand Prix	3	7
23. Marquis	1	3
LTD	–	4
Skylark	–	1
Standard		
1. Olds 88	28	36
2. LeSabre	22	18
3. Grand Marquis	21	21
4. Caprice	18	24
4. Bonneville/Paris.	18	15
6. Crown Victoria	14	14
7. Diplomat	2	5
8. Gran Fury	1	3
Luxury		
1. Cadillac	60	73
2. Lincoln	37	36
3. Electra	12	21
4. Olds 98	11	20
5. Mark VII	8	6
5. Seville	8	5
7. Fifth Avenue	7	16
8. Eldorado	6	6
9. Continental	4	6
9. Riviera	4	3
11. Toronado	3	2
11. Corvette	3	4
13. Allante	1	–



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MOLONEY COACHBUILDERS

TV ad spending climbs to record $1.2 billion in first half

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Television ad spending for new cars and trucks rose 21.31 percent in the first six months of 1987 to a first-half total of $1,178,906,400.

It was the first time that automotive spending for television advertising has topped $1 billion in the January-June period, according to statistics complied by the Television Bureau of Advertising from Broadcast Advertisers Reports.

The overall increase in television ad spending for cars and trucks was paced by the continued growth in spot television spending by the manufacturers and their dealer advertising associations.

In fact, the January-June period marked the first time that spot market spending exceeded network spending, according to the TV Bureau.

"There has been a complete turnaround in the way the car companies are spending their money," said Roger D. Rice, TV Ad Bureau president. "Instead of putting it all into network advertising, they are spending it market by market, and that's reflected in the development of strong dealer associations," Rice said.

"If you look back just three years, you can see the trend clearly," he said.

Spot, or market-by-market advertising, in the January-June period rose 31.61 percent to $524,710,200 from $398,677,800 in the same period of 1986.

see TV SPENDING, page 69

AUTOMOBILES — LEADING TV ADVERTISERS BY NAMEPLATE

January - June

	1987 Network TV	1987 Spot TV	1987 Natl. Synd.	1987 Total TV	% Change	1986 Network TV	1986 Spot TV	1986 Natl. Synd.	1986 Total TV
Chevrolet	$31,076,300	$27,432,200	$149,100	$58,657,500	+ 26	$23,041,800	$23,393,600	—	$46,435,400
Ford	31,428,500	23,674,200	789,700	55,892,400	−11	47,036,300	15,432,300	$682,100	63,150,700
Pontiac	21,922,800	22,679,700	73,500	44,676,000	+ 31	13,765,600	20,432,200	—	34,197,800
Nissan	16,314,800	27,117,500	—	43,432,300	+ 42	14,473,300	16,088,500	8,700	30,570,500
Oldsmobile	14,152,900	25,619,300	257,100	40,029,300	+ 13	14,611,500	19,775,700	976,000	35,363,200
Honda	20,663,200	17,507,400	—	38,170,600	+ 34	17,508,500	11,038,400	—	28,546,900
Toyota	7,222,500	28,236,800	895,300	36,354,600	+ 35	7,950,500	18,943,500	—	26,894,000
Hyundai	5,980,000	27,718,000	—	33,698,000	+179	—	12,071,600	—	12,071,600
Volkswagen	20,689,800	12,747,100	—	33,436,900	+ 25	18,249,100	8,452,700	—	26,701,800
Mercury-Merkur	20,456,300	11,682,200	490,000	32,628,500	− 3	23,431,600	9,933,600	255,500	33,620,700
Mazda	16,551,400	14,736,300	91,600	31,379,300	+100	9,870,300	5,785,400	—	15,655,700
Subaru	9,533,800	20,093,700	672,500	30,300,000	+ 51	5,269,300	11,751,300	—	20,020,600
Buick	16,777,200	10,087,700	—	26,864,900	+ 3	12,481,300	13,604,600	—	26,085,900
Dodge	17,025,100	7,011,500	—	24,036,600	+ 47	6,688,600	9,692,200	—	16,380,800
BMW	14,624,400	8,763,900	60,000	23,448,300	+ 90	6,055,100	6,272,900	—	12,328,000
Cadillac	9,742,600	11,350,400	—	21,093,000	+ 28	10,453,800	6,076,800	—	16,530,600
AMC - Renault	12,791,700	6,307,500	404,300	19,503,500	+ 8	13,919,600	4,151,300	—	18,070,900
Chrysler	12,904,700	5,749,800	—	18,654,500	+ 72	8,671,200	2,174,100	—	10,845,300
Acura	11,618,200	2,875,900	—	14,494,100	+124	2,546,300	3,935,000	—	6,481,300

NOTE: Expenditures for television commercials advertising two nameplates or vehicle types have been divided between the two brands. Includes leasing.
SOURCE: Television Bureau of Advertising special analysis of data compiled by Broadcast Advertisers Reports.

LEADING TV ADVERTISERS — CAR, TRUCK & VAN MAKERS AND DEALER ASSOCIATIONS

January - June

	1987 Network TV	1987 Spot TV	1987 Natl. Synd.	1987 Total TV	% Change	1986 Network TV	1986 Spot TV	1986 Natl. Synd.	1986 Total TV
General Motors†	$112,841,400	$117,210,000	$2,030,900	$232,082,300	+ 19	$ 93,490,700	$100,841,300	$ 1,341,200	$195,673,200
Ford Motor Co.†	83,428,100	67,008,200	1,990,100	152,426,400	− 1	104,861,200	48,238,600	941,600	154,041,400
Chrysler Corp.	66,028,600	37,977,700	635,400	104,641,700	+ 40	43,347,900	31,395,000	59,100	74,803,000
Nissan Motor Co.†	26,080,800	48,886,600	—	74,967,400	+ 11	26,012,500	41,331,800	228,700	67,573,000
Toyota Motor Sales†	13,942,800	54,993,700	1,634,200	70,570,700	+ 11	13,280,500	50,169,800	106,500	63,556,800
Honda Motor Co.†	32,281,100	20,383,600	—	52,664,700	+ 50	20,054,800	14,973,400	—	35,028,200
Mazda Motor Corp.	24,461,900	19,113,200	106,800	43,681,900	+ 50	16,917,600	12,216,200	—	29,133,800
Volkswagen A.G.†	24,436,900	16,319,000	—	40,755,900	− 6	27,627,500	15,747,700	—	43,375,200
American Motors	24,195,300	12,706,700	799,200	37,701,200	+ 1	28,387,600	8,887,200	—	37,275,000
Hyundai Corp.	5,980,000	27,718,000	—	33,698,000	+179	—	12,071,600	—	12,071,600
Subaru	9,533,800	20,093,700	672,500	30,300,000	+ 45	8,269,300	12,669,100	—	20,938,400
BMW†	14,624,400	8,763,900	60,000	23,448,300	+ 90	6,055,100	6,272,900	—	12,328,000
Mitsubishi Corp.†	4,543,400	17,908,600	—	22,452,000	+106	—	10,877,000	—	10,877,000
Isuzu Motor Co.	4,285,900	11,406,300	—	15,692,200	+113	1,463,200	5,891,000	—	7,354,200
Daimler-Benz A.G.	11,411,000	3,072,900	—	14,483,900	+ 52	7,699,000	1,811,500	—	9,510,500
Suzuki Motor Co.	302,500	11,403,500	—	11,706,000	+183	—	4,138,800	—	4,138,800
TOTAL	$463,005,800	$524,710,200	$7,929,000	$995,645,000	+ 24	$402,811,400	$398,677,800	$2,677,100	$804,166,300

† Includes television advertising for new passenger cars, trucks and vans and leasing of these vehicles. Non-car and non-truck advertising by these companies is excluded, as follows: General Motors $17,464,000 in 1986 and $19,386,500 in 1987 for AC Delco, used cars, parts & service, Mr. Goodwrench, GMAC Financing, public service and GM Canada; Ford Motor Co. $5,572,800 in 1986 and $607,700 in 1987 for First Nationwide, Motorcraft, parts and service, used cars, tractors, Sperry farm equipment, Transouth, St. Louis Federal S&L; Nissan Motor $148,100 in 1986 and $28,800 in 1987 for parts and service, used cars; Toyota Motor $512,100 in 1986 and $1,086,700 in 1987 for parts and service, used cars and trucks; Honda Motor $22,760,100 in 1986 and $15,214,900 in 1987 for generators, mowers, motorcycles, tractors, snow removal equipment, scooters, parts & service, all terrain vehicles; Volkswagen $3,500 in 1986 for Royal Copiers; BMW $515,000 in 1986 for motorcycles and used cars and Mitsubishi $6,600 in 1986 and $2,000 in 1987 for color TV and tractors.

SOURCE: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data.

TRUCKS, VANS, SPORT-UTILITIES — LEADING TV ADVERTISERS BY NAMEPLATE

January - June

	1987 Network TV	1987 Spot TV	1987 Natl. Synd.	1987 Total TV	% Change	1986 Network TV	1986 Spot TV	1986 Natl. Synd.	1986 Total TV
Ford	$15,902,300	$21,969,900	$ 330,000	$38,202,200	+ 10	$21,781,000	$12,879,800	$ 4,000	$34,664,800
Toyota	6,720,300	26,756,900	—	33,477,200	− 9	5,330,000	31,226,300	106,500	36,662,800
Dodge	17,387,500	14,826,600	—	32,216,100	+ 85	8,672,100	8,707,100	—	17,379,200
Nissan	9,766,000	21,769,100	—	31,535,100	− 15	11,539,200	25,243,300	220,000	37,002,500
Chevrolet	15,097,500	11,851,100	1,240,800	28,189,400	+ 1	14,880,500	12,628,400	284,800	27,793,700
Jeep	11,403,600	6,399,200	394,900	18,197,700	− 5	14,468,200	4,735,900	—	19,204,100
Mazda	7,910,500	4,376,900	15,200	12,302,600	− 9	7,047,300	6,430,800	—	13,478,100
Suzuki	302,500	11,390,200	—	11,692,700	+183	—	4,138,800	—	4,138,800
Isuzu	3,140,900	7,531,600	—	10,672,500	+ 83	1,463,200	4,372,500	—	5,835,700
Mitsubishi	4,543,400	5,408,300	—	9,951,700	+ 95	—	5,095,600	—	5,095,600
GMC	505,200	7,824,800	310,400	8,640,400	+ 87	—	4,544,800	76,200	4,621,000
Plymouth	6,137,800	283,500	—	6,421,300	+ 23	5,003,500	201,500	—	5,205,000

NOTE: Expenditures for television commercials advertising two nameplates or vehicle types have been divided between the two brands.
SOURCE: Television Bureau of Advertising special analysis of data compiled by Broadcast Advertisers Reports.

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LEADING AUTO DEALER TELEVISION ADVERTISERS

January - June

	1987	1986	Percent Change
Cal Worthington - Los Angeles	2,039,400	2,027,200	+ 4
Wilson Ford - Los Angeles	1,534,900	1,243,500	+ 23
Frontier Ford - Dallas	1,513,200	910,300	+ 66
Rosenthal Autos - Washington DC	1,324,100	617,900	+114
Pete Ellis Motors - Los Angeles	1,185,000	828,700	+ 43
Potamkin - New York	1,057,800	981,100	+ 8
Cal Worthington - Seattle	1,049,600	1,372,200	- 24
Foothill Nissan - Los Angeles	1,044,000	640,800	+ 63
Sonoyta Subaru - Phoenix	862,200	511,900	+ 68
Nationwide Motor Sales - Baltimore	841,700	375,900	+124
Cal Worthington - Sacramento	829,500	1,461,900	- 43
Celozzi-Ettleson Chevrolet - Chicago	765,400	791,800	- 4
Piemonte Ford - Chicago	687,300	556,000	+ 24
Jerry's Chevrolet - Baltimore	636,300	502,600	+ 27
Ocean Cadillac - Miami	601,300	505,900	+ 19
Kott Ford - Los Angeles	585,600	265,800	+120
TOTAL	$183,261,400	$167,660,500	+ 9

SOURCE: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data in the top 75 markets.

It's a 'class' study at NHTSA

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

ANN ARBOR, Mich. — NHTSA is thinking about changing the 20-year-old way it classifies cars and trucks.

It already has granted a petition from the Insurance Institute for Highway Safety to reconsider how it classifies passenger cars, trucks and multipurpose passenger vehicles.

The powerful agency will make a concerted effort to learn if its category system still is appropriate in today's fast-lane manufacturing and marketing pace.

Any changes will be important to vehicle makers and retailers because safety regulations vary widely by vehicle classification.

An advance rule-making package on classifications will be ready for public review by mid-October, Barry Felrice, assistant administrator for rule making, told a meeting with industry technical representatives here.

It will include seven or eight alternatives, he said.

"We're looking at everything from simply eliminating the multipurpose passenger-vehicle category to setting up subcategories of passenger cars, perhaps setting up a light-truck category — trucks under 10,000 pounds or 8,500 pounds gross vehicle weight.

"We're looking at the issue of off-road use and maybe there should be separate categories for vehicles with off-road capabilities. And, if so, how should one define off-road capabilities? Is the presence of four-wheel drive sufficient?

"Is a passenger car with 4wd significantly different from other passenger cars that it should have a separate category?

"We're looking at retaining the MPV vehicle category but maybe redefining what goes in it. The basis for any redefinition into subcategories could include anything from weight rating cutoffs — gross vehicle weight, curb weight or unloaded weight — or height above ground.

"You put all these variances together and you have a huge matrix of what could be done. We believe the subject is very complicated. There are no simple answers," Felrice said.

"For example, the MPV category includes vehicles that have little relation to each other. There are minivans used either as substitutes for station wagons, which are passenger cars, or for carrying cargo. It includes full-size vans and utility vehicles. Those have little resemblance to each other," he said.

TV SPENDING

FROM PAGE 68

Spot market spending accounted for 44.51 percent of total automotive television ad spending in the period.

Total network spending in the first half of 1987 was $463,005,800, up 14.94 percent from $402,811,400 in the same period of 1986. Network spending in the first half of the year accounted for 39.27 percent of all automotive television spending in the United States.

Among the largest television advertisers, General Motors, Nissan, Toyota, Hyundai, Subaru, Mitsubishi, Isuzu, Suzuki and their dealer associations spent more in the spot markets than on network.

However, Ford Motor Co., Chrysler Motors, Honda, Mazda, Volkswagen, American Motors, BMW and Mercedes-Benz spent more on network advertising.

Local-market spending by individual dealers rose 9.30 percent to $183.3 million from $167.7 million in the same period one year ago, and accounted for 15.55 percent of total television spending.

The remainder of the television ad expenditures were for national syndication spots by automotive companies. Syndication spending in the first half of the year was up 192.59 percent to $7.9 million from $2.7 million last year, according to the TV Bureau.

Much of the growth in that market came from manufacturers and importers that used syndication in 1986: GM, Ford, Chrysler and Toyota.

However, TV Bureau analysis showed no 1987 spending on syndication packages by Nissan, which did buy syndication in 1986.

In addition, Mazda, Subaru, AMC and BMW all showed 1987 syndication spending that was not shown in the same period of 1986.

In the individual dealer spending category, pioneer television ad spender Cal Worthington, Los Angeles, again led the pack with more than $2 million in local ad spending during the first half of 1987. Two other Cal Worthington operations — in Seattle and Sacramento — also made the TV Bureau's list of big spenders, although spending by those two operations declined in the January-June period.

The biggest local-market spending increases were posted by Nationwide Motor Sales, Baltimore; Kott Ford, Los Angeles; and Rosenthal Autos, Washington.

The TVB statistics are derived from Broadcast Advertisers Reports that come from monitoring network and local television broadcasts.

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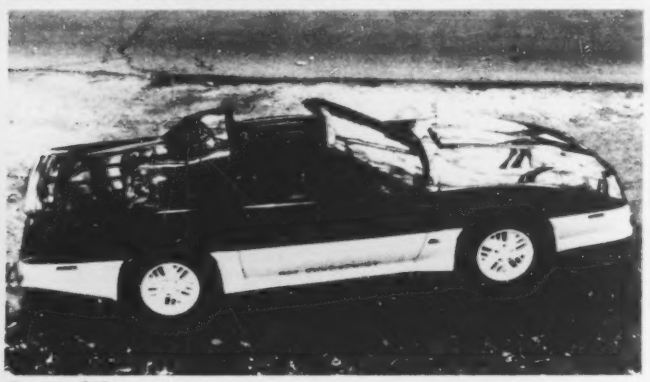

Eurosprint

Recreational Designs, White Pigeon, Mich., has added the Eurosprint to its line of specialty styling concepts. Based on the standard Firebird (pictured) or Camaro, the styling package includes full ground effects, hood scoop, front fender louvers, rear hatch with trunk rack and spoiler, side molding panels, exhaust pipes, two-tone paint, wheels and tires. The two-seater version features a trunk that opens like the factory hatch and also offers access to the trunk from the passenger compartment. Eurosprint vehicles are available through new-car dealers.

AUCTION DATES

American Motors

Sept. 15 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

Sept. 16 — Columbus Auto Auction, Columbus, Ohio, and Kansas City Auto Auction, Kansas City, Mo.

Sept. 17 — Corry Auto Auction, Corry, Pa.

Sept. 22 — D-A Auto Auction, New Stanton, Pa.

Sept. 23 — Minneapolis Auto Auction, Plymouth, Minn., and Northeast Auto Dealers, Newburgh, N.Y.

Sept. 24 — Greater Chicago Auto Auction, Chicago; Todd Auto Auction, Telford, Pa.; and Evansville Auto Auction, Evansville, Ind.

Sept. 25 — St. Louis Auto Auction, St. Louis

Sept. 29 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

Used Car Sales
Auction Averages

Sept. to date	$6,054
Month ago	$6,052
Year ago	$5,235

Sept. 30 — Kansas City Auto Auction, Kansas City, Mo., and Columbus Auto Auction, Columbus, Ohio

Ford Motor Co.

Sept. 16 — Atlanta Auto Auction, Red Oak, Ga.; Concord Auto Auction, Acton, Mass.; and Southern California Auto Auction, Fontana, Calif.

Model Breakdown
Auction Averages

	SEP 1987	AUG 1987	JUL 1987
1987	$11,546	$11,726	$11,512
1986	$8,886	$8,934	$9,032
1985	$7,358	$7,385	$7,394
1984	$5,751	$5,754	$5,756
1983	$4,981	$5,016	$5,081
1982	$3,637	$3,648	$3,684
1981	$2,611	$2,632	$2,642
1980	$2,056	$2,072	$2,068
Overall Average	$6,054	$6,070	$6,030

Sept. 17 — 166 Auto Auction, Springfield, Mo.

Sept. 23 — Columbus Fair Auto Auction, Obetz, Ohio, and Lakeland Auto Auction, Lakeland, Fla.

Sept. 24 — Greater Chicago Auto Auction, Chicago; Denver Auto Auction, Aurora, Colo.; Bay Cities Auto Auction Inc., Hayward, Calif.; and Skyline Auto Exchange, Fairfield, N.J.

Sept. 29 — South Seattle Auto Auction, Kent, Wash.

Sept. 30 — Northway Auto Auction, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; and Southern California Auto Auction, Fontana, Calif.

General Motors

Sept. 15 — Florida Auto Auction of Orlando, Ocoee, Fla., and Harrisonburg Auto Auction, Harrisonburg, Va.

Sept. 16 — Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Sept. 17 — Butler Auto Auction, Gibsonia, Pa.; Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston, Texas; and Nashville Auto Auction, Nashville, Tenn.

Sept. 22 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

Sept. 23 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Omaha Auto Auction, Omaha, Neb.; Southern California Auto Auction, Fontana, Calif.; and Indianapolis Auto Auction, Indianapolis

Sept. 24 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

Sept. 29 — Harrisonburg Auto Auction, Harrisonburg, Va., and Florida Auto Auction of Orlando, Ocoee, Fla.

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Chicago auction slates limo sale

CHICAGO — Arena Auto Auction will host a limousine sale here on Oct. 2.

Limousines will be consigned to the sale from corporate fleets, manufacturers, financial institutions and leasing and rental companies. The auction will be open to the public as well as to dealers.

For more information, call Alan Ulman, (404) 688-7820.

Arena Auto Auction is a subsidiary of Anglo American Auto Auctions, Nashville, Tenn. Anglo American is a subsidiary of the British Car Auction Group PLC, England.

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Inventories hit 9-month low

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The Sept. 1 stockpile of cars built in the United States was the lowest in nine months. Domestic inventories also were slimmer than a year ago. In fact, stocks were the leanest they have been since November 1986.

Making way for 1988 model introductions, September opened with an inventory of 1,436,835 domestic cars, an 57-day supply, which was two weeks shorter than last month's 71-day supply.

The stockpile dropped 13.34 percent below the previous month's 1,657,974 cars on hand. September's inventory of U.S.-built cars dipped 7.73 percent below the stock in the same month a year ago. Last year, the September inventory was 1,557,291, a 60-day supply and a low point for that year.

Leaner inventories matched with low production numbers — August car output was the lowest for the month in five years — could be cause for concern in light of Ford Motor Co. and General Motors contract negotiations with the UAW and the possibility of strikes, especially at Ford, the union's target.

Auto analyst Ann Knight, Paine-Webber Inc., pointed out that "incentives got things moving" last month. Asked whether the low inventories mean Ford or GM were caught off guard, she said, "It's important to realize that automakers were not planning an inventory level around a strike. They couldn't predict whether a strike would occur."

Another analyst, Michael M. Luckey, Shearson Lehman Brothers, said: "Most of us were surprised by the programs GM introduced in early August. Our feeling was that it would have made more sense for GM to wait and see. GM could have been the target.

"GM's stocks were clearly excessive. Ford's inventories have been tight all year. Ford had to match GM's incentives to stay competitive. But I don't think there's going to be a strike. If there is, their supply could become tight very quickly."

Many dealers said their stocks are down, but said they were not worried about a strike seriously depleting them.

By company, Sept. 1 domestic-car inventories were divided this way: GM, 54.80 percent; Ford, 24.94 percent; Chrysler Motors (including Eagle Division), 16.67 percent; Nissan, 1.30 percent; Volkswagen, 1.03 percent; Honda, 0.64 percent, and Toyota, 0.62 percent.

Last month's split was: GM, 56.10 percent; Ford, 25.55 percent; Chrysler, 13.75 percent; Nissan, 1.29 percent; Volkswagen, 1.16 percent; AMC, 0.85 percent; Honda, 0.78 percent, and Toyota, 0.52 percent.

Shares by size class Sept. 1 were: subcompact, 16.31 percent; compact, 18.14 percent; intermediate, 44.30 percent; standard, 11.59 percent, and luxury, 9.66 percent.

Both GM and Ford reduced their inventories by more than 15 percent from Aug. 1 to Sept. 1. GM had an estimated 787,400 cars on hand Sept. 1, a 59-day supply. A month earlier the biggest of the Big 3 carried about 930,150 units, a 78-day supply. On Sept. 1, 1986, it had a 63-day stockpile.

Ford's inventories dwindled to an estimated 358,400 cars, an 51-day stock, down from Aug. 1, when it had about 423,600 cars, an 62-day supply. Ford's stocks also diminished from last year's 57-day stockpile.

All inventory numbers include finished cars at factories, those en route to dealers and on dealer lots.

DOMESTIC DAYS' SUPPLIES

	Sept. 1, 1987	Aug. 1, 1987	Sept. 1, 1986
Alliance	115	147	159
Eagle	157	151	149
Premier	0	0	0
Total Eagle	119	148	142
Horizon	28	28	27
Sundance	47	51	66
Turismo	59	111	68
Reliant	128	64	66
Caravelle	86	60	86
Gran Fury	51	39	63
Total Plymouth	74	59	53
Laser	0	0	122
LeBaron K	64	63	55
LeBaron J	87	125	0
LeBaron GTS	128	107	79
Fifth Avenue	67	93	61
New Yorker E	130	160	64
Total Chrysler	69	106	68
Omni	32	29	30
Shadow	50	48	56
Charger	61	101	67
Daytona	86	89	77
Aries	114	65	66
Lancer	122	95	92
Diplomat	53	70	63
Dodge 600	76	79	81
Total Dodge	78	68	82
CHRYSLER MTRS.	83	84	62
Escort	52	71	47
Mustang	45	40	39
Tempo	46	56	63
Taurus	54	68	75
Thunderbird	51	69	70
LTD	0	0	49
Crown Victoria	48	38	59
Total Ford Div.	51	61	57
Lynx	55	74	61
Topaz	62	69	61
Sable	71	93	64
Cougar	44	66	52
Capri	0	0	83
Marquis	0	0	50
Grand Marquis	32	45	44
Total Mercury	52	68	55
Continental	45	56	72
Lincoln	48	46	62
Mark VII	48	44	80
Total Lincoln	48	46	65
Total L-M Division	51	63	57
FORD MOTOR CO.	51	62	57
Skyhawk	78	99	90
Somerset Regal	74	95	77
Century	80	123	67
Regal	66	57	101
LeSabre	52	77	77
Electra	69	94	67
Riviera	60	71	78
Total Buick	67	91	76
Cimarron	54	100	64
Allante	199	185	0
Seville	71	71	119
Cadillac	44	100	66
Eldorado	49	62	83
Total Cadillac	47	95	72
Chevette	69	81	95
Nova	52	40	47
Cavalier	59	88	64
Camaro	66	69	69
Celebrity	70	91	42
Corsica/Beretta	57	62	0
Monte Carlo	116	120	85
Chevrolet	47	77	76
Corvette	110	117	93
Total Chevrolet	62	74	60
Firenza	106	125	84
Calais	43	62	41
Cutlass Ciera	47	93	47
Cutlass Supreme	88	56	59
Olds 88	40	67	64
Olds 98	48	80	73
Toronado	64	58	129
Total Oldsmobile	50	75	58
Fiero	71	89	76
1000	84	83	106
Sunbird	51	80	79
Firebird	52	58	62
Grand Am	45	43	33
6000	90	107	50
Bonn./Gr. Prix	109	138	0
Grand Prix	0	0	136
Parisienne/Bonn.	83	118	57
Total Pontiac	64	76	56
GENERAL MTRS.	59	78	63
VOLKSWAGEN	80	75	59
HONDA	8	13	8
NISSAN	38	51	—
TOYOTA	66	68	0
DOM. TOTAL	57	71	60
Subcompact	44	53	51
Compact	63	68	64
Intermediate	65	84	39
Standard	50	57	66
Luxury	54	81	71

TALKS

FROM PAGE 1

the same or increase, but it could not decrease, even through attrition. Ford would have to call back a worker on layoff or hire a new worker for every one who retires. The guaranteed number would be broken down by plant and unit, Bieber said.

Ford has indicated it will require strong language on flexible work rules in exchange. Ford has also said it must maintain quality and the flexibility to outsource when necessary.

Russ Leone, chairman of the tool and die unit of UAW Local 600, which represents the Rouge complex, said that flexible work rules and the combining of job classifications were being addressed at the national level.

He said that once the principle of work-rule flexibility, including the team concept, was established at the national level, the locals would have to "work it out."

Bieber said he thought he could take the proposal on job guarantees and fit it to General Motors, without necessarily "dotting every 'i.'"

But GM Chairman Roger Smith said last week that GM's high degree of vertical integration makes it different from Ford and that GM requires a different contract.

Asked whether GM could guarantee a certain number of jobs, Smith answered, "Not in any meaningful amount because of the cyclical nature of the automotive industry."

But if Ford workers get a job guarantee, GM workers will expect the same.

A coalition of local union presidents at GM plants, headed by Pete Kelly (Local 160 — Tech Center), Donny Douglas (Local 594 — Pontiac), Dave Yettaw (Local 599 — Flint) and David Frey (Local 735 — Ypsilanti), told reporters at a press conference Friday that they will accept nothing less than what Ford workers get.

"We have enough people concerned about the direction of this union to affect ratification" of the GM contract, Douglas said.

The situation seemed less threatening at Ford. Leone said the Rouge local's executive board met last Thursday to set up the mechanics for going on strike, "but it doesn't sound like they're really serious."

For instance, he said, the international has not set up any support system to keep the Rouge Steel plant operating in the event of a strike at Ford. Rouge Steel's contract stipulates that the plant — which supplies other customers besides Ford — will keep operating though Ford may be on strike.

A Ford Diversified Operations spokesman said Ford submitted to the UAW a list of plants that supply Chrysler Motors and GM.

Ford has 17 assembly plants and 37 manufacturing plants in the United States. A nationwide strike would soon affect facilities in Canada, according to a Ford of Canada spokesman.

He said that because of reduced inventories, most Ford plants could not operate more than three days in the event of a strike.

Michael M. Luckey, an analyst with Shearson Lehman Brothers said a conservative estimate is that Ford would lose $15 million a day if its U.S. plants shut down.

Staff Reporter Dave Versical contributed to this article.

Korean labor unrest ends; Hyundai, Daewoo operating

By Oles Gadacz
SPECIAL CORRESPONDENT

SEOUL, South Korea — Hyundai Motor Co. and Daewoo Motor Co. resumed operations last Wednesday, bringing an end to a series of strikes that started in August.

About 8,000 Daewoo workers reported for work at the Pupyong plant, 30 miles east of Seoul. The month-long suspension of operations at Daewoo meant a loss of 51 billion won (about $63 million), company officials said. Another source placed the loss at 103 billion won ($128 million).

Hyundai's Ulsan plant, which halted operations for 11 days, is turning out 2,000 to 2,300 cars per day. The company had been crippled by on-again, off-again operations, but assembly plants are now running two 10-hour shifts a day.

The Daewoo plant was hit by a violent protest on Sept. 3. Eighteen executives including the company president, Kim Chong-Ung, were detained by workers before being freed by police. Production is steadily returning to normal, but it will be a few days before full production of 850 units a day is reached.

One problem that remains to be ironed out is the election of a new union at the Daewoo plant. The chairman of the workers' union resigned Sept. 6, clearing the way for a new election of union representatives and a possible rewriting of the company's rules on the election of union officials.

All workers will vote Sept. 21 on whether to elect new union officials by a direct or indirect method. Currently, union officials are elected by a committee that is installed by a vote among workers.

Hyundai's 15,000 workers selected a new union chairman last Tuesday. He is described as somewhat moderate in his views, a Ministry of Trade and Industry official said.

Kia Motors' Sohari plant has been operating at below capacity since August. The erratic parts supply situation is responsible for the slowdown.

While workers are demanding higher wages at Korea's auto plant, analysts are cautioning about the adverse impact of such wage increases on Korea's auto export goals. The nation had set its sights on exporting $3.3 billion worth of cars this year.

According to a report released by the Korea Institute for Economics and Technology, a 10 percent wage increase will result in a $35 million drop in automobile export sales. In addition, the strikes are expected to cut Korea's exports to 550,000 units for 1987, 100,000 fewer than was predicted earlier this year.

PRODUCTION

Labor Day cuts car build

By Karen Detkowski
SPECIAL CORRESPONDENT

Last week's targeted domestic auto production totaled 113,077, 10.15 percent less than the previous week's output of 125,852. Production was reduced due to the short work week in observance of Labor Day.

The automakers' estimated output last week was 25.12 percent below the 151,008 produced in the year-ago week, which was not shortened by a holiday.

Last week's targeted production was split as follows: General Motors, 50.41 percent; Ford Motor Co., 25.46 percent; Chrysler Motors, 15.74 percent; Honda of America Manufacturing Co., 4.16 percent; New United Motors Manufacturing Inc., 2.39 percent; and Nissan Motor Manufacturing Co., U.S.A., 1.84 percent.

As reported earlier, Volkswagen of America's Westmoreland, Pa., remains idle until Sept. 21, for model changeover.

Ford scheduled daily overtime at all its assembly plants excluding the Lorain, Ohio; Kansas City, Mo.; and Chicago plants.

Chrysler will resume production of its Omni and Horizon America models this week in their new home, Kenosha, Wis., a former American Motors plant. Production ended March 6 at Chrysler's Belvidere, Ill., plant.

Chrysler began production Sept. 8 on its new Dodge Dynasty model at the Belvidere plant. Belvidere began assembling the Chrysler New Yorker in mid-August

Chrysler slated daily overtime this week at its St. Louis No. 2 and Kenosha (Wis.) No. 1 plants. Each is scheduled to work two nine-hour shifts. St. Louis No. 2 also was scheduled to work two shifts last Saturday.

GM's Arlington, Texas, plant resumes production today, building the 1988 Chevrolet Caprice Classic sedan and wagon and the Oldsmobile Custom Cruiser. The Framingham, Mass., assembly plant resumes operation today after being down for model changeover. The Tarrytown, N.Y., assembly plant will go down today for two weeks for rebalancing of the line; the production rate will be reduced when the plant reopens.

GM reported production of 25 units of its new GM10 Pontiac Grand Prix in the week ended Sept. 5. Those were pre-production models. Regular production is scheduled to begin Oct. 5.

Truck output dips in short week

Truckmakers scheduled production of 61,439 units last week, 9.05 percent below the previous week's 67,550 and 21.86 percent below the year-ago week's 78,625.

Plants were closed on Monday for Labor Day.

Ford slated daily overtime at all of its truck plants this week and Saturday overtime last week at its Louisville, Ky., plant. Ford also scheduled overtime next Saturday for its Michigan truck plant in Wayne, Mich.

General Motors scheduled Saturday overtime last Saturday at its Baltimore plant.

Holiday trims Canadian assembly

Automakers in Canada scheduled production of 13,272 cars last week, 6.32 percent below the previous week's build of 14,167. The total was 34.48 percent below the 21,574 turned out in the year-ago week.

Scheduled truck production also was off with 13,177 assembled last week, 10.15 percent below the previous week's 14,665 and 7.26 percent below the year-ago week's 14,208.

All car and truck assembly plants were closed last Monday for the Labor Day holiday.

CANADIAN CAR	Week Ended Sept. 12, 1987	Week Ended Sept. 13, 1986	Week Ended Sept. 5, 1987	Sept. to Date	Jan. 1 to Sept. 13, 1986	Jan. 1 to Sept. 12, 1987
CHRYSLER	80	119	100	180	2,823	3,806
FORD MOTOR	4,404	9,743	4,802	9,206	364,553	308,847
GENERAL MOTORS	8,288	11,487	8,810	17,098	355,988	192,547
HONDA	320	0	230	550	0	9,819
VOLVO	180	225	225	405	7,081	7,047
Total Cars, Canada	13,272	21,574	14,167	27,439	730,445	522,066
U.S. TRUCK☆	Week Ended Sept. 12, 1987	Week Ended Sept. 13, 1986	Week Ended Sept. 5, 1987	Sept. to Date	Jan. 1 to Sept. 13, 1986	Jan. 1 to Sept. 12, 1987
CHEVROLET	12,703	25,240	15,599	28,302	831,745	785,471
DODGE	6,000	5,602	7,902	13,902	75,569	188,348
FORD	26,988	30,434	28,259	55,247	1,008,379	1,021,805
GMC	6,350	7,387	4,938	11,288	256,964	264,383
NAVISTAR	1,344	1,628	1,311	2,655	50,652	50,774
JEEP	3,600	3,909	4,651	8,251	128,130	154,478
NISSAN	1,704	1,895	2,140	3,844	84,179	80,154
AM GENERAL*	450	50	450	900	1,812	10,710
MISCELLANEOUS*	2,300	2,300	2,300	4,600	82,340	82,500
Total Trucks, U.S.	61,439	78,625	67,550	128,989	2,519,770	2,618,603
CANADIAN TRUCK	Week Ended Sept. 12, 1987	Week Ended Sept. 13, 1986	Week Ended Sept. 5, 1987	Sept. to Date	Jan. 1 to Sept. 13, 1986	Jan. 1 to Sept. 12, 1987
JEEP	600	786	692	1,292	19,694	23,420
CHRYSLER	4,340	8,512	6,927	11,267	280,498	278,631
FORD	2,889	3,563	1,949	4,837	115,169	102,194
GENERAL MOTORS	5,169	1,136	4,972	10,041	173,980	164,659
NAVISTAR	180	201	225	405	6,620	6,582
Total Trks., Canada	13,177	14,208	14,665	27,842	595,960	595,486
U.S., Canada Trks.	74,616	92,833	82,215	156,831	3,115,720	3,184,089

☆—Includes station van production. *—Estimated.
Jeep includes commercial only. All General includes commercial vehicles.
Miscellaneous includes estimates for Isuzu, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Navistar production may exclude some of cars or trucks sold to customers.

U.S. CAR	Week Ended Sept. 12, 1987	Week Ended Sept. 13, 1986	Week Ended Sept. 5, 1987	Sept. to Date	Jan. 1 to Sept. 13, 1986	Jan. 1 to Sept. 12, 1987
AMERICAN MOTORS	0	0	0	0	36,955	15,394
Renault Total	0	0	0	0	36,955	15,894
Alliance	0	0	0	0	33,608	15,904
Encore	0	0	0	0	3,347	0
CHRYSLER MOTORS	17,600	25,988	22,443	40,243	945,176	739,724
Plymouth Total	4,800	9,463	5,653	10,253	288,988	218,022
Horizon	100	3,712	0	100	121,672	33,097
Sundance	1,400	1,044	1,696	3,096	11,311	64,902
Reliant	2,600	3,296	3,127	5,727	110,893	82,245
Caravelle	400	864	580	980	31,732	33,499
Gran Fury	100	545	250	350	13,377	4,279
Chrysler Total	7,200	6,408	9,071	16,271	292,105	253,932
Laser	0	0	0	0	27,239	0
LeBaron K	800	904	988	1,788	67,548	49,800
LeBaron J	2,000	0	2,449	4,449	0	79,794
LeBaron GTS	800	1,394	806	1,406	51,443	27,951
N. Yorker E-Class	1,200	1,260	1,775	2,976	53,575	56,522
N. Yorker C-Class	900	0	731	1,631	0	2,011
Fifth Avenue	1,700	2,850	2,318	4,018	92,300	38,054
Dodge Total	6,000	10,097	7,719	13,719	384,086	267,770
Daytona	1,400	0	1,803	3,003	30,807	40,375
Omni	100	3,745	0	100	117,526	28,463
Shadow	1,400	967	1,811	3,211	10,066	88,933
Aries	1,900	2,530	2,678	4,578	87,763	76,225
Dodge 600	400	765	515	915	50,853	29,995
Dynasty	100	0	143	243	0	382
Lancer	400	807	489	896	27,671	17,484
Diplomat	300	1,283	460	760	29,600	7,923
FORD MOTOR	28,788	29,135	31,989	60,778	1,258,070	1,277,805
Ford Division	21,600	20,733	22,860	44,460	863,171	908,287
Escort	7,521	5,019	8,639	16,160	272,885	262,553
Mustang	4,435	3,213	4,584	9,019	136,150	149,082
Tempo	716	3,599	0	716	139,086	100,546
Taurus	6,696	8,902	7,109	13,805	210,620	286,966
Thunderbird	2,232	0	2,548	4,780	104,470	109,140
L-M Division	7,188	8,402	9,109	16,298	394,899	369,318
Mercury Total	3,628	4,339	4,917	8,746	272,440	242,844
Lynx	0	597	0	0	46,116	21,352
Capri	0	0	0	0	12,479	0
Topaz	228	934	0	228	41,297	33,084
Cougar	2,205	0	2,558	4,763	86,951	97,328
Sable	1,398	2,808	2,359	3,757	85,597	91,080
Lincoln Total	3,360	4,063	4,192	7,552	122,459	126,474
Continental	0	407	0	0	13,582	9,616
Lincoln	2,801	3,047	3,493	6,294	91,851	97,485
Mark VII	559	609	699	1,258	17,046	19,379
GENERAL MOTORS	57,006	82,930	59,734	116,742	2,959,145	2,395,027
Buick Total	10,797	16,763	12,436	23,232	551,298	391,873
Skyhawk	1,000	1,370	855	1,855	60,801	20,931
Century	2,378	4,278	3,037	5,415	168,095	118,693
Regal (rwd)	500	0	563	1,063	42,952	31,521
Somerset/Skylark	1,432	2,540	1,200	2,632	77,345	43,025
LeSabre (fwd)	3,600	4,556	4,665	8,265	108,290	99,385
LeSabre (rwd)	124	418	131	255	10,966	6,379
Electra (fwd)	1,531	3,601	1,946	3,477	61,941	62,966
Riviera	232	0	238	470	19,487	8,971
Cadillac Total	5,113	5,819	5,385	10,498	230,777	182,006
Cimarron	218	542	152	370	17,880	8,064
Allante	120	0	68	188	0	3,629
Brougham (rwd)	1,440	1,105	1,770	3,210	60,039	48,099
DeVille (fwd)	2,612	3,563	2,679	5,291	117,268	97,521
Eldorado	392	0	395	787	18,513	11,321
Seville	331	0	321	652	17,077	13,372
Chevrolet Total	20,894	29,594	21,594	42,488	907,497	930,159
Chevette	0	2,662	0	0	70,617	0
Camaro	2,024	3,463	2,056	4,080	127,688	85,696
Cavalier	4,823	6,164	3,544	8,367	285,569	216,695
Celebrity	3,418	7,982	4,253	7,671	175,055	208,192
Corsica/Beretta	6,108	0	7,189	13,297	0	222,923
Monte Carlo	1,361	1,206	1,611	2,972	82,897	48,394
Chevrolet	2,848	5,482	2,941	5,589	146,910	129,299
Corvette	512	635	0	512	18,761	18,960
Oldsmobile Total	9,242	14,653	9,357	18,599	718,707	430,965
Firenza	248	916	282	530	27,285	3,735
Calais	2,408	3,140	1,707	4,115	83,846	78,115
Cutlass Ciera	0	3,394	0	0	180,797	99,968
Cutlass Supreme	1,340	719	1,518	2,858	90,348	53,209
88 (fwd)	3,306	3,810	3,880	7,186	228,611	118,328
88 (rwd)	0	330	0	0	13,621	10,656
Olds 98	1,671	2,344	1,890	3,361	80,154	47,684
Toronado	269	0	280	549	14,045	10,678
Pontiac Total	10,962	16,710	10,963	21,925	550,866	460,024
Acadian*	0	332	0	0	11,031	0
Fiero	85	1,420	0	85	47,845	20,774
1000	0	708	0	0	15,022	0
Firebird	1,208	987	1,122	2,330	80,011	56,822
2000 Sunbird	1,263	3,603	1,075	2,338	98,373	63,017
Grand Am	3,840	5,868	3,561	7,401	156,174	166,559
6000	2,016	3,439	2,337	4,353	99,474	56,521
Bonneville	2,400	0	2,704	5,104	0	89,478
Safari/Parisienne	150	353	164	314	42,936	6,853
HONDA	4,700	5,633	6,226	10,926	147,462	230,736
Civic	35	0	40	75	0	71,505
Accord	4,665	5,633	6,186	10,851	147,462	159,231
NISSAN	2,080	1,576	2,685	4,765	26,812	92,487
NUMMI	2,700	3,731	2,775	5,475	142,613	139,041
Corolla	700	0	719	1,419	0	29,344
Nova	2,000	3,731	2,056	4,056	142,613	108,697
VOLKSWAGEN	0	2,035	0	0	57,922	43,129
Golf/GTI	0	2,035	0	0	57,922	34,775
Jetta	0	0	0	0	0	8,354
Total Cars, U.S.	113,077	151,008	125,852	238,929	5,574,155	4,932,743
Total Cars, Canada	13,272	21,574	14,167	27,439	730,445	522,066
U.S., Canada Cars	126,349	172,582	140,019	266,368	6,304,600	5,454,809
U.S., Canada Trks.	74,616	92,833	82,215	156,831	3,115,720	3,184,089
U.S., Canada Cars and Trucks	200,965	265,415	222,234	423,199	9,420,320	8,638,898

*—All Alliance are built for sale in Canada.
Monthly production may exclude some of cars or trucks sold to customers.

Chrysler odometer suit filed

Civil suit names dealer, service firm

By Jack Bernstein
SPECIAL CORRESPONDENT

ST. LOUIS — An auto dealer, a bank and two companies dealing in service contracts are cited along with Chrysler Corp. in a lawsuit filed in St. Louis Circuit Court over odometer tampering.

Brian and Kendra Carpenter, Ballwin, Mo., charge that the odometer of their 1986 Chrysler LeBaron was disconnected before the car was sold to them.

The couple seeks rescission of the contract and alleges breach of contract, odometer fraud and nonconformity to the motor-vehicle warranty.

Named in addition to Chrysler Corp. in the suit were: Chrysler-Plymouth West, Ballwin; Mechanical Breakdown Protection, Kansas City, Mo., the service contract seller; Omaha Indemnity Co., a subsidiary of Mutual of Omaha and underwriter of the contract; and Mercantile Bank of St. Louis, which financed the vehicle.

According to the lawsuit, "Chrysler Motors Corp. and Chrysler-Plymouth West well knew that the odometer didn't register the true mileage of the vehicle or should have known that the car, when sold to plaintiffs, was already in a used, depreciated and worn condition."

The Carpenters said in the suit that they paid $20,000, including trade-in, for the vehicle and a short time later the car developed mechanical problems that necessitated frequent repairs.

They asked the court to cancel the sale of the vehicle and to grant them a refund less a reasonable amount for its use, $4,500 in damages from Chrysler and a $497 refund on the service contract. They also asked the court to cancel their car loan from the bank and to reclaim any interest from the contract.

Several similar lawsuits are pending against Chrysler. The automaker operated an overnight test-drive program using company employees and new vehicles in which the odometers were detached.

Chrysler and two of its executives also were indicted on odometer tampering charges by the federal government.

OBITUARIES

Frederick W. Lang

WARREN, Mich. — Frederick W. Lang, 55, assistant director of occupational safety and ergonomics for General Motors, died Sept. 3. He began his career at GM in 1965 as a safety engineer for Buick.

Donald D. Berglund

CRESTED BUTTE, Colo. — Donald D. Berglund, 60, a former auto dealer in Roanoke, Va., died Aug. 27. He was chairman of Berglund Chevrolet Inc., Roanoke, a group of auto dealerships that included Berglund Chevrolet-AMC-Jeep-Renault; Miracle Ford; Berglund Pontiac; Berglund Mazda; Superior Ford, Wytheville, Va.; and Berglund Chevrolet-Oldsmobile, Hillsville, Va.

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Kume, left, and Celeste: a new era for Honda-Ohio partnership

HONDA: *2nd Ohio assembly plant to spark quest for domestic automaker status*

By Jesse Snyder and David Versical
AUTOMOTIVE NEWS STAFF REPORTERS

COLUMBUS, Ohio — Honda North America's ambitious five-part plan to create a self-reliant U.S. operation is aimed at reaching "domestic automaker status" by 1991.

President Tetsuo Chino said last week that Honda's strategy includes exporting U.S.-built Hondas, constructing a second Ohio assembly plant (Automotive News, Aug. 10), increasing domestic content of U.S.-built cars to 75 percent and expanding production engineering and research and development in the United States by 1991.

It also will put Honda on target for one million North American car sales by 1991 — 850,000 in the United States and 150,000 in Canada. By that time, Honda will have the capacity to produce 510,000 cars in Ohio and 80,000 in Alliston, Ontario. It plans to export 70,000 units from Ohio to markets abroad.

Honda is determined to be considered along with the Big 3 as a truly American automaker and not a Japanese transplant, Chino said.

"If we achieve 75 (percent) domestic content, if we become the No. 1 exporter in the U.S. auto industry, if we employ more than 10,000 (including sales personnel), then yes, I think we will be a domestic automaker," he said.

"We have always tried to localize ourselves," said Tadashi Kume, president of Honda Motor Co. Ltd., the Japanese parent company. "As a result of this announcement, if we become more like an American manufacturer, we will be most gratified. It was really a major step for that."

In Tokyo, Koichiro Yoshizawa, executive vice president, Honda Motor Co., said Honda is "entering a new stage of internationalization" with its expansion plans in Ohio. He said the United States would become another supply base for world distribution.

Most of Honda's strategy will unfold during the next four years, but the first U.S. exporting step will come in January. Next year, 3,000 units of a new Accord-based sporty coupe — produced exclusively at Honda's Marysville, Ohio, plant — will be exported to Japan.

see HONDA, page 52

Ford-UAW pact may prove tough for GM to follow

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Following their unprecedented extension of a national contract, the UAW and Ford Motor Co. now await the rank-and-file's ratification of an agreement that provides job guarantees on a scale unequalled in U.S. industry.

Those job guarantees will cost Ford $500 million over the life of the contract, according to UAW documents.

Although some union dissidents say Ford is requiring across-the-board work-rule changes in return, most UAW members disagree, saying the contract leaves such changes up to the locals. The contract sets up a joint committee at each local, which must submit within six months a plan for improvements in quality and efficiency at its plant.

According to the UAW, this plan could include "exploration of new forms of work organization," which includes team production.

The tentative three-year agreement with Ford, reached last Thursday, guarantees that no Ford worker will be permanently laid off for any reason except volume losses due to sales drops. Even in those instances, Ford must recall workers when sales improve.

The current job level of about 107,000 workers will form the basis of the so-called Guaranteed Employment Numbers.

UAW documents say that the contract provides for Ford actually increasing the number of jobs, although the summary conflicts on whether these increases are actually mandated or are merely under consideration by Ford. Ford reportedly will create 4,700 new jobs at 10 facilities by increasing its investment. Ford also will save

see UAW, page 54

Contract at a glance

Job guarantees

- Guaranteed Employment Numbers for each plant.
- No layoffs for any reason — including outsourcing — except reductions forced by sales reductions. Laid off workers must be recalled when sales improve.

Economics

- Three-percent wage increase in first year and lump-sum bonuses of 3 percent in second and third years.
- Cost-of-living formula maintained, and 81 cents of current COLA "float" of 86 cents folded into base wages.
- Pensions, insurance benefits, profit sharing and payments to laid-off workers improved.
- Child-care assistance begun.

Outsourcing

- Stronger curbs against outsourcing.

Plant closings

- Moratorium on closing for most plants.
- If an operation is sold, buyer must assume Ford's contractual obligations.

Japanese pickups tumbling

Bloom is off the boom; makers work to recover

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — The pickup truck market in the United States, once so lucrative for Japanese makers, has turned sour.

Japanese makers do not appear to be moving aggressively to protect market share. They may be taking a more cautious approach, at least for the time being, according to one analyst, because of continuing accusations of dumping.

Nissan Motor Co. and Toyota Motor Corp., which developed the market in the first place, are taking steps to meet the decline.

Nissan will drop "almost all" production of pickups at its Kyushu plant and increase production in Tennessee instead.

Reports in Japan indicate the mix at Smyrna will change from 130,000 passenger cars to 50,000, with an increase in trucks from 110,000 to 190,000.

Nissan would not confirm exact figures, but said that changes have already begun. Nissan said it is making the change for "greater efficiency."

The move allows Nissan to concentrate on meeting its car export quota despite heavy inventory in the United States, and at the same time produce pickup trucks without the burden of a 25-percent tariff.

Toyota announced a reduction in its total export target from 1.82 million to 1.74 million for this year. While it would not be specific about which models will be cut back, it did acknowledge that pickups have been affected by a sluggish market. Analysts sug-

see PICKUPS, page 50

Henry Ford II fights pneumonia

DETROIT — Henry Ford II remained in serious condition in the intensive care unit at Henry Ford Hospital Friday evening. He is suffering from pneumonia.

The 70-year-old former chairman of Ford Motor Co. was hospitalized 10 days ago.

Ford is a Ford Motor Co. director and is chairman of the company's powerful finance committee. He resigned as chief executive in 1979 and retired as chairman of the board in 1980.

The grandson of company founder Henry Ford, the young Henry Ford II wrested control of the faltering company from his failing grandfather four decades ago and resuscitated Ford Motor Co. He became a director in 1938, president in 1945 and chairman in 1960.

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Audi boss clouds value of shift lock — Page 2

Chrysler kills New Yorker 'E' — Page 3

Import inventories slide again — Page 8

Vixen shuts RV plant for five months

Poor sales blamed; new model on tap

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Vixen Motor Co. shut its plant for five months beginning Sept. 9 due to lagging sales of its motor homes. It laid off 100 of its 145 employees.

Gerald Bryce, Vixen's chief operating officer, said the company will "continue to distribute its vehicles through franchised dealers during the (shutdown) period."

Meanwhile, the company is gearing up a more traditionally equipped product, due to be introduced in February.

Vixen has sold only about 350 motor homes since it started in January 1986 — less than 10 percent of its original projections.

The company planned for a market that never materialized. With low gasoline prices, motor home buyers have been more interested in roominess and comfort than in the kind of fuel efficiency afforded by Vixen's manual-transmission, diesel-engine models.

Vixen also was squeezed by currency exchange rates that drove up the price of its imported BMW engines and Renault transmissions.

Together with higher-than-anticipated manufacturing costs, the price of Vixen motor homes has risen [illegible] 0,000, forcing Vixen to compete ...ore heavily in the traditional motor home market rather than in the $30,000 yuppie market it originally targeted.

In February, Vixen will go after a more traditional-type motor home buyer with new models featuring automatic transmissions, gasoline engines, conventional heating and air conditioning systems and other conservative appointments.

The company's new units will carry GM's 2.8-liter V-6 gasoline engine.

Paul Carleton, economic development advisor to the city of Pontiac, Mich., one of Vixen's financial backers, said he still feels Vixen can become successful once it gets more in synch with market trends.

Carleton said that the gasoline engine, for example, will open up the big California market to Vixen. Its diesel powerplant couldn't meet that state's emissions standards.

COLIN CURWOOD

Chrysler's K-car successors

Photographs of the new Chrysler Motors A-body sedan indicate that Chrysler is relying on traditional styling for its K-car replacement. Chrysler opted for a similarly traditional look in its new C-body Chrysler New Yorker and Dodge Dynasty, which debut this fall. The A-body cars are expected to be introduced as 1989 models in the fall of 1988. They will be built at Chrysler's Newark, Del., assembly plant. Photo above is believed to be the Dodge version; below, the Plymouth version.

Chrysler kills New Yorker 'E' after short run

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Motors ended production of its 1988 Chrysler New Yorker Turbo sedan little more than a month after production began.

The car was phased out because a new series of front-wheel-drive sedans is being introduced this fall bearing the New Yorker and New Yorker Landau names. The new cars are the flagship models in Chrysler showrooms.

Chrysler will continue to produce the Plymouth Caravelle and the Dodge 600. Those E-body cars are companion models to the New Yorker Turbo. All have been produced at Chrysler's Jefferson Avenue, Detroit, plant.

Chrysler began production of the 1988 New Yorker Turbo models in August and assembled an estimated 9,631 before killing the model. On Sept. 1, the company had a 130-day supply.

The changeover to the 1988 model involved little cost, a company source said, because there were no changes in exterior sheet metal and there were few other changes. The company did, however, equip the 1988 model with a 2.2-liter turbo engine and made standard a number of equipment features.

In the 1987 calendar year, the New Yorker E-body represented 4.9 percent of Chrysler Motors' total sales. The model accounted for 16 percent of Chrysler brand sales.

The larger 1988 C-body New Yorker and New Yorker Landau are powered by a 3-liter, fuel-injected V-6.

Dole exit was expected

Dole served in the sometimes sensitive cabinet post longer than anyone else in the department's 20-year history

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Transportation Secretary Elizabeth Dole announced last week that she will resign Oct. 1 in order to devote full time to the campaign of her husband, Sen. Robert Dole, R-Kan., who is seeking the Republican presidential nomination.

Her departure from the Reagan cabinet was described as "inevitable" and "expected" by Washington representatives of the automobile industry.

Dole's resignation had been rumored for months, as observers speculated she might seek elected office herself and as problems in the aviation sector increased.

Last Friday, the White House had not released a list of possible successors to Dole.

With only 16 months left in President Reagan's term, it is unlikely that her successor will initiate any ambitious new proposals in the administration of U.S. motor vehicle safety laws.

Dole, 51, became secretary of transportation in February 1983, succeeding Drew Lewis, Reagan's first secretary of transportation. Dole served in the sometimes sensitive cabinet post longer than anyone else in the department's 20-year history.

Although the job required tough decision making on several fronts, one of the most difficult and controversial was approving a requirement that all new automobiles sold in the United States be equipped with passive restraints by the 1990 model year.

Dole's handling of the passive-restraint issue — one that had bedeviled politicians and industry executives for almost 20 years — was considered masterful.

During the Carter administration, NHTSA ruled that passive restraints be phased in starting with the 1982 models, but that decision was reversed by Raymond Peck, a later NHTSA boss. After Peck's action, a court order demanded NHTSA to take a second look at the passive-restraint requirement.

Dole agreed to a proposal that gave the industry time to begin building vehicles equipped with such devices, while at the same time aggressively promoting state seat-belt laws.

Dole's decision requires that 10 percent of all vehicles sold in the United States by each manufacturer be equipped with automatic belts or air bags in the 1987 model year. The figure rises to 25 percent in the 1988 model year, to 40 percent in the 1989 model year and to 100 percent in the 1990 model year.

There also is an escape clause: the passive-restraint requirement will be dropped if states with two-thirds of the U.S. population pass mandatory seat-belt-use laws meeting federal standards by April, 1989. Those standards have not yet been issued.

The auto industry, while fundamentally opposed to government-required air bags or automatic seat belts, appreciated features of the passive-restraint rule that phased in the devices over four model years. Later, they liked the delay in passive restraints on the passenger side if driver-side air bags are installed.

Consumer and insurance groups opposed any delay in requiring passive restraints, but counted Dole's decision as a victory — if somewhat postponed — for better vehicle safety.

In addition, they were pleased by the appeals court decision asking them to return to court at once if there were serious danger that mandatory belt-use laws in the states would rescind passive restraints automatically.

Both the auto industry and the safety lobby continue to push for state laws requiring seat-belt use.

Dole's administration of NHTSA has been marked by repeated charges of delays in implementing safety standards, of less than imaginative responses to both existing and emerging vehicle safety problems and an almost half-hearted response to allegations of safety defects in motor vehicles.

She has generally been praised within the industry as making good on Reagan's promise to reduce government regulation of the automobile industry. She defied a good many members of Congress, Chrysler Corp. and consumer groups by agreeing to hold down corporate average fuel economy requirements at the request of Ford Motor Co. and General Motors.

Her most visible contribution to automotive safety is a regulation requiring a center high-mounted stoplight on all new automobiles. That regulation took effect with the 1986 model year.

Chrysler revamps Jeep-Eagle pact

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Motors has revised its Jeep-Eagle franchise, including binding arbitration and consumer satisfaction index provisions, following criticism by the National Automobile Dealers Association.

Jeep-Eagle dealers will begin signing the new agreement this week. The previous agreement will be void.

The new agreement, which will cover 1,453 former American Motors dealers, will also be used when re-signing Chrysler-Plymouth and Dodge dealers because of open points, stock transfers or dealership sales.

In a letter to dealers, E.T. Pappert, Chrysler Motors group vice president — sales, said the company revised the franchise agreement following meetings with members of the franchised dealer councils and NADA line chairmen.

NADA had been particularly critical of franchise language mandating binding arbitration in any dispute between the manufacturer and dealers. NADA said that provision circumvented state franchise laws.

Revised language accepted by the advising dealers states that rights granted under state laws will apply in the arbitration process.

NADA also had objected to a provision that would allow a consumer satisfaction index (CSI) to be used to terminate dealers who perform below specified standards for four consecutive quarters.

Instead, Chrysler now will review a dealer's CSI performance at least once a year and allow the dealer 180 days to meet CSI requirements before beginning termination proceedings. Chrysler also revised a provision covering its right of first refusal to purchase a dealership and other language in the agreement.

NADA said Chrysler's response appeared to be a positive step toward addressing a number of dealer concerns.

"However," said Frank McCarthy, NADA executive vice president, "it still does not satisfy legitimate dealer concerns because it forces mandatory binding arbitration on dealers, denies dealers access to courts and commissions, and there is no assurance dealer rights under state and federal law will be honored."

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Import inventories slide again

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Inventories of imported cars and trucks in the United States shrank for the second time in two months.

A hefty increase in August sales helped reduce the stockpile at the beginning of this month. Imported light-truck sales also rose and ate into the Sept. 1 inventory of vehicles at dealerships, in ports and en route in between.

September opened with combined imported car and truck inventories of 810,982 units, a 52-day supply, down 4.17 percent from last month's 846,350 unsold imported vehicles, a 57-day supply.

The total of unsold imported vehicles was 25.47 percent higher than the year-ago stockpile of 646,356, a 48-day supply. Two years ago, combined imported car and truck inventories numbered only 393,016 vehicles, a 33-day supply.

Since import-car sales rose a hefty 10.82 percent in August, inventories were slimmer than on Aug. 1. At the beginning of September, imported-car inventories declined to 606,500, a 51-day supply, compared to last month's 628,337 units, a 54-day supply.

The leanest stockpiles again this month were Honda's imported cars, which stood at 11 days' worth. Honda and its dealers had another 8 days' worth of U.S.-built cars in inventory. The Japanese company's upscale Acura inventories were also down, to a 27-day supply from 33 a month earlier.

Ford's Korean-built Festiva inventories were depleted from a 124-day supply Aug. 1 to 63 days at the start of this month.

Inventories of imported Renaults were still high because of poor sales last month, although inventories were down to 237 days from a 266-day supply in August.

The imported light-truck stockpile fell from 218,013 vehicles, a 66-day supply, on Aug. 1 to 204,482 units, a 56-day supply, on Sept. 1. That was lower than last year's Sept. 1 light-truck stockpile of 209,059 units.

The Sept. 1 inventory of imported cars by country of origin was split up this way: Japan, 67.55 percent; Germany, 13.78 percent; and other countries: 18.67 percent.

Last month's inventory share by country was: Japan, 65.64 percent; Germany, 14.58 percent; and other countries, 19.78 percent.

On average this month, German carmakers were the only group to increase its days' supply of cars.

IMPORT DAYS' SUPPLIES

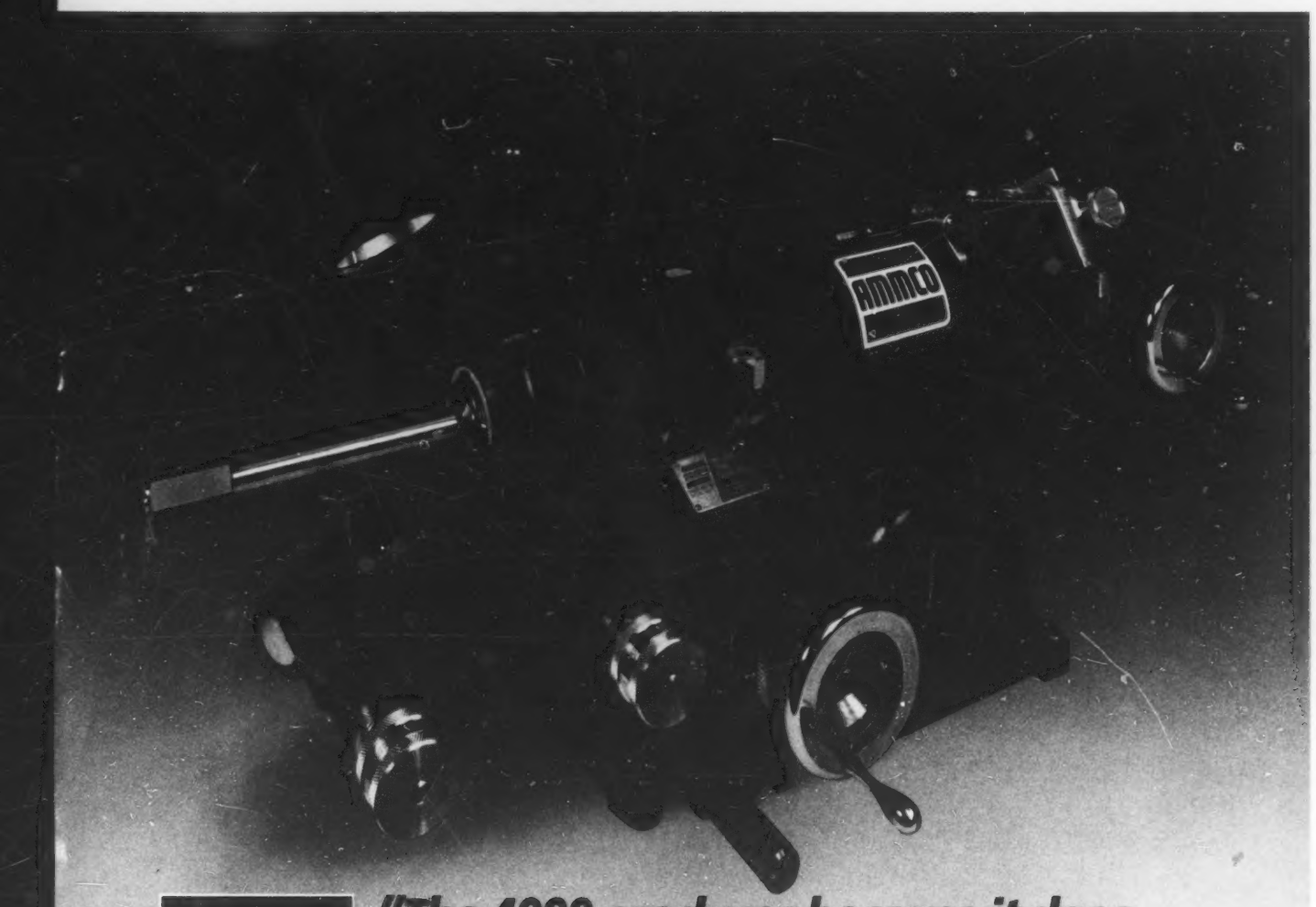
	Sept. 1, 1987	Aug. 1, 1987	Sept. 1, 1986
Chevrolet	110	142	85
Chrysler/Mitsubishi	80	88	99
Acura	27	33	29
Honda	11	10	7
Isuzu	54	66	83
Mazda	33	41	47
Mitsubishi	64	43	60
Nissan	92	84	48
Subaru	90	99	65
Toyota	21	25	17
JAPAN	51	53	40
Audi	83	56	120
BMW	60	67	50
Mercedes-Benz	52	50	32
Merkur	44	62	96
Porsche	96	114	37
VW	60	62	55
GERMANY	64	63	57
Alfa Romeo	65	62	28
Festiva	63	124	0
Hyundai	29	26	23
Jaguar	16	20	29
Peugeot	88	90	90
Pontiac	41	59	0
Eagle/Renault	237	266	121
Saab	46	61	31
Sterling	72	66	0
Volvo	44	70	39
Yugo	54	62	37
Other Countries	44	51	32
Total Import Cars	51	54	41
Isuzu	97	118	101
Mazda	29	73	50
Mitsubishi	80	43	46
Nissan*	88	107	144
Range Rover	31	22	0
Suzuki	18	24	33
Toyota	42	43	52
Chrysler	84	78	136
Total Imp. Trucks	56	65	75
Total Imp. Vehicles	52	[illegible]	48

*Includes domestic trucks.

Correction

Several words were dropped from the Sept. 14 story, "Ford, GM Take Early Price Step," which may have resulted in confusion over Ford's pricing action.

The story should have said the prices given to dealers are only tentative, are not sales weighted and do not include all models. The 6 percent average hikes also reflect the industrywide trend toward equipping 1988 models with more standard features than 1987 models.



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Hernandez has looked at some off-shore models that claim to do more and be more. But, he says "No way, Jose. What about parts? What about service? What about the technical support I enjoy now? They just aren't there."

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